FINANCIAL TIMES

WEDNESDAY 31 MAY 2023

USA $2.50 Canada C$3.00

How China moved into western private equity
BIG READ, PAGE 15

What DeSantis gets wrong about populism
JANAN GANESH, PAGE 17

Stand-off
Kosovo counts cost of clashes

Armend Nimani/AFP via Getty Images

Military police and Nato personnel secure an area in Zvecan, northern Kosovo, a day after fierce clashes with Serbs left 30 peacekeepers and 50 protesters injured.

The violence, the worst to hit Kosovo in years, threatens to derail an EU-brokered deal intended to normalise relations between Kosovo and Serbia.

The US yesterday condemned Kosovo for stoking ethnic tension after authorities deployed police to ensure that the ethnic Albanian victors in disputed mayoral elections took office in the region's majority-Serb communities.

"The house is on fire," said Jeff Hovenier, US ambassador to Pristina, adding that Washington had cancelled joint military exercises and put all diplomatic meetings on hold. It will also stop advocating for Kosovo's membership of the EU and UN.

Tensions flare page 2

Briefing

▸ **Rising rates set back bank mergers, say dealmakers**
A long-awaited consolidation of European lenders has been put back by two years, warn bankers, as rising interest rates take a toll on their stocks of loans.— PAGE 6

▸ **China welcomes Musk**
Beijing has called for "stable and constructive" ties with the US in a meeting between foreign minister Qin Gang and Elon Musk, the boss of Tesla and Twitter.— PAGE 8

▸ **Strife hits Israel economy**
Central bank chief Amir Yaron has highlighted the "significant domestic shock" from the fight over the Netanyahu government's judicial reform plans.— PAGE 4

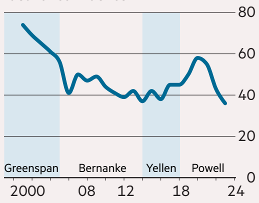
▸ **Inflation fillip for Sanchez**
Price pressures have eased more than expected, providing prime minister Pedro Sánchez with a timely boost just two days after calling a general election.— PAGE 4

▸ **Shadow bank stress alert**
The European Central Bank has warned that the largest lenders in the eurozone are exposed to "spillovers" of stress from outside the banking system.— PAGE 2

▸ **Nvidia hits $1tn valuation**
The chipmaker has become the first to pass the $1tn milestone, leading a surge of enthusiasm on Wall Street for companies seen to benefit from AI.— PAGE 6

Datawatch

Fed up
% expressing a fair amount or great deal of confidence



Source: Gallup

Just 36 per cent of Americans say they have a great deal or fair amount of confidence in Federal Reserve chair Jay Powell to do or recommend the right thing for the US economy, the lowest score for a Fed chief in over 20 years

Western nations raise pressure on Erdoğan to admit Sweden into Nato

● Blinken pushes for progress ● Final lobbying from Stockholm ● Hopes rest on anti-terror law

RICHARD MILNE — OSLO
ADAM SAMSON — ANKARA
FELICIA SCHWARTZ — WASHINGTON

Western countries are increasing pressure on Turkey to allow Sweden's accession to Nato, as Stockholm makes a final push to overcome Ankara's opposition to its membership.

Writing in the Financial Times today, Ulf Kristersson, Sweden's prime minister, says that an anti-terror law coming into force tomorrow delivers "on the last part" of an agreement to secure Ankara's support for Nato entry.

"It is time to seriously consider Sweden's application for Nato membership . . . Only [Russia's president] Vladimir Putin has anything to gain from Sweden remaining outside Nato," he writes.

A senior Swedish official added: "This terror law is our big hope for unlocking the situation. Then it's up to Turkey to decide."

Sweden's request to join Nato after Russia's invasion of Ukraine represented a historic shift from more than two centuries of non-alignment. But Turkey's president Recep Tayyip Erdoğan has blocked its membership, while allowing Finland's, arguing that Stockholm needed to do more to fight terrorism. The impasse has created a rift between Turkey and its Nato allies at a time when the alliance is trying to project unity over Russia's war.

> Sweden stands ready to be an active and loyal ally, and to contribute to the security of the entire alliance from day one
>
> Ulf Kristersson
> Page 17

While US and other Nato allies were tolerant of Erdoğan's desire to bolster his agenda before Turkey's presidential election, which concluded at the weekend, they have now stepped up efforts to convince him to relent.

Nato secretary Jens Stoltenberg said yesterday it was "absolutely possible" to have Sweden in Nato by the alliance's summit in Vilnius on July 11, adding that he was in close contact with Erdoğan.

"My message is that it's within reach . . . There is a window now. We are working hard to have this as soon as possible," he said in Oslo, before a two-day meeting of Nato foreign ministers.

US secretary of state Antony Blinken visited Sweden yesterday on his way to the Nato meeting. "The time to move forward is now, we'd like to see that happen before the Vilnius summit," he said.

President Joe Biden spoke to Erdoğan on Monday to congratulate him on his re-election. "He still wants to work on something on the F16s [fighter jets]," Biden said. "I told him we wanted a deal with Sweden, so let's get that done."

Turkey is hoping to clinch a pact with the US to purchase F16 fighter jets but the deal is being held up by Congress. The Biden administration approved a $259mn F16 upgrade package in April, shortly after Ankara agreed to allow Finland to join Nato.

Soner Cagaptay, director of the Turkish research programme at the Washington Institute for Near East Policy, predicted further brinkmanship from Turkey's president. "Congress is saying Turkey should take the first step and green light Sweden. Erdoğan will say 'no, I want the Congress to take the first step and green light the F-16s and then I'll move forward'," he said.

Signalling Ankara's continuing concerns, Erdoğan's communications director, Fahrettin Altun, wrote on Twitter that Turkey's government "sincerely hope[d] that the new anti-terror law . . . will be properly enforced".

Other countries have urged Erdoğan to back Sweden's membership. "We expect that Turkey will now ratify Sweden's application," Norway's prime minister Jonas Gahr Støre said this week.

Russia-Ukraine reports page 2

Wall Street makes pitch for funds' crypto business

Wall Street big names are making a big crypto bet. Fidelity, BNY Mellon and Standard Chartered are among the traditional banks building their own infrastructure to trade digital markets. They hope their finance knowhow and reputations, unsullied by a wave of crypto scandals and enforcement action, will prove persuasive to fund managers still keen on trading crypto. Their interest comes as bitcoin chalks up a gain of 68 per cent this year.

Analysis ▸ PAGE 10

Marlboro man claims kicking cigarette habit will clear way to ESG acceptance

OLIVER BARNES AND HARRIET AGNEW — LONDON

The chief executive of Philip Morris International says the maker of Marlboro cigarettes is charting a path to becoming an "ESG" stock as part of a push to win back investors lost because of tobacco exclusion policies.

PMI's pivot from cigarettes towards less harmful vapour-based nicotine alternatives, which accounted for about a third of its revenues last year, placed the tobacco group "on the podium" when it came to environmental, social and governance impact, argued Jacek Olczak.

ESG mandates have prompted European asset managers including Robeco and Candriam, and UK pension funds run by Aviva and Scottish Widows, to sell off billions of dollars of tobacco stocks in their actively managed funds.

Olczak told the Financial Times there had been tentative re-engagement from some funds. "I'm not saying that they are building a position in Philip Morris . . . but the asset managers will not spend the time on talking with you if they don't have in mind that one day is coming that they should reconsider the exclusion [policy]," he said.

Asked if he believed that PMI might one day be classified as an ESG stock, Olczak responded: "I think so."

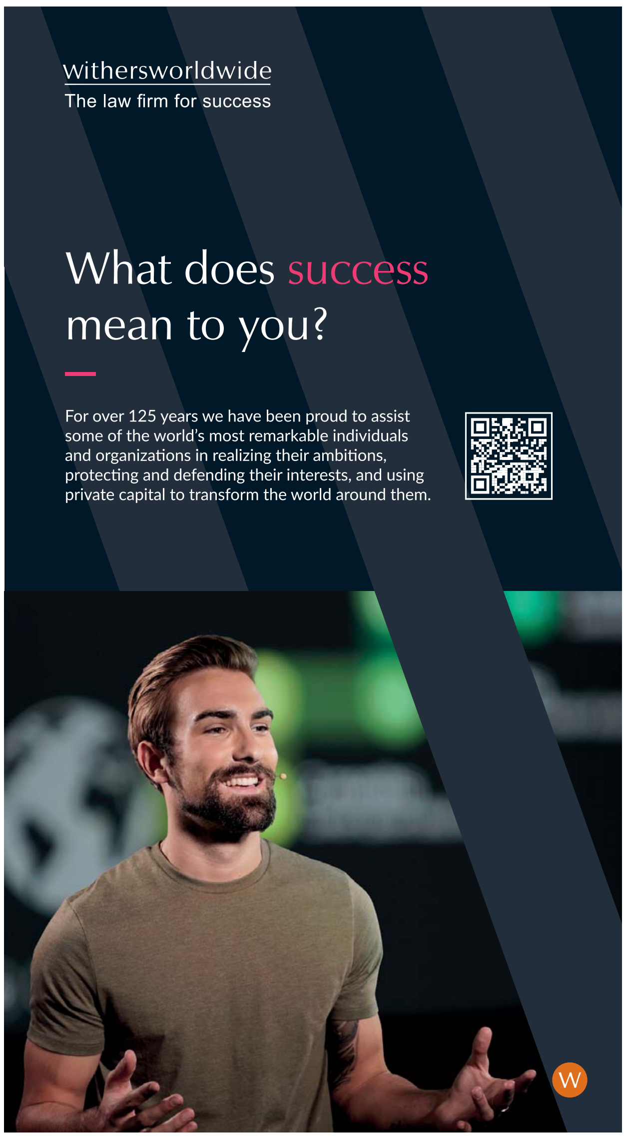
Cigarettes remain the leading cause of preventable death. PMI sold 621bn last year, growing in less regulated markets such as Indonesia, Turkey and Egypt.

It has a target to derive half of revenues from products judged to be of reduced risk by 2025, driven largely by the success of its IQOS heated tobacco stick. Analysts, however, expect PMI to fall short of the 50 per cent figure.

Olczak railed against the ESG conventions that had frozen out PMI. In relation to its products, he said the company was "on the forefront of the reporting on the methodology . . . on the transparency and on the materiality assessment", but he acknowledged that other areas such as child labour in tobacco supply chains harmed PMI's ESG rating.

Gaurav Jain, a tobacco analyst at Barclays, said PMI "has the best sort of narrative around ESG transition in the sector" because of its push into reduced risk products with IQOS and its $15.7bn acquisition of nicotine pouch maker Swedish Match last year.

But he added that "the bar at which ESG funds will start looking at the sector is very high", arguing that "they still have a long journey to travel before they can convince a lot of people that this is a net positive to global society".



World Markets

STOCK MARKETS

	May 30	Prev	%chg
S&P 500	4211.60	4205.45	0.15
Nasdaq Composite	13058.42	12975.69	0.64
Dow Jones Ind	32972.13	33093.34	-0.37
FTSEurofirst 300	1809.14	1827.39	-1.00
Euro Stoxx 50	4289.71	4320.01	-0.70
FTSE 100	7522.07	7627.20	-1.38
FTSE All-Share	4104.75	4152.54	-1.15
CAC 40	7209.75	7303.81	-1.29
Xetra Dax	15908.91	15952.73	-0.27
Nikkei	31328.16	31233.54	0.30
Hang Seng	18595.78	18551.11	0.24
MSCI World $	2830.43	2827.93	0.09
MSCI EM $	971.75	972.86	-0.11
MSCI ACWI $	653.48	653.05	0.07
FT Wilshire 2500	5427.32	5356.52	1.32
FT Wilshire 5000	42306.01	41755.62	1.32

CURRENCIES

Pair	May 30	Prev	Pair	May 30	Prev
$/€	1.073	1.071	€/$	0.932	0.934
$/£	1.241	1.235	£/$	0.806	0.810
£/€	0.864	0.867	€/£	1.157	1.154
¥/$	139.805	140.290	¥/€	149.976	150.237
¥/£	173.498	173.300	£ index	79.986	80.080
SFr/€	0.970	0.968	SFr/£	1.122	1.117

CRYPTO

	May 30	Prev	%chg
Bitcoin ($)	27703.35	27744.81	-0.15
Ethereum	1900.99	1893.01	0.42

COMMODITIES

	May 30	Prev	%chg
Oil WTI $	69.59	72.96	-4.62
Oil Brent $	73.81	77.10	-4.27
Gold $	1947.90	1948.25	-0.02

GOVERNMENT BONDS

Yield (%)	May 30	Prev	Chg
US 2 yr	4.50	4.56	-0.06
US 10 yr	3.71	3.80	-0.10
US 30 yr	3.89	3.96	-0.07
UK 2 yr	4.37	4.47	-0.10
UK 10 yr	4.34	4.46	-0.12
UK 30 yr	4.49	4.60	-0.11
JPN 2 yr	-0.06	-0.07	0.01
JPN 10 yr	0.43	0.43	0.00
JPN 30 yr	1.25	1.26	-0.01
GER 2 yr	2.78	2.86	-0.08
GER 10 yr	2.34	2.44	-0.10
GER 30 yr	2.50	2.57	-0.07

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Conflict

Putin vows reprisal after drones hit Moscow

Assault in Russian capital follows repeated waves of air assaults on Kyiv

MAX SEDDON — RIGA
CHRISTOPHER MILLER — KYIV

Vladimir Putin has vowed to retaliate against what he claimed was a Ukrainian drone strike on Moscow, which exposed Russia's growing vulnerability to a backlash from his invasion.

The Russian president accused Ukraine of "terrorist activity" and "provoking us to respond with tit-for-tat measures" after strikes hit residential areas in the capital yesterday, which he said were aimed at "scaring Russian citizens and hitting residential buildings".

Videos on social media showed drones flying low, one exploding over Rublyovka, a wealthy suburb that is home to much of the political elite. Others showed damage after three drones crashed into residential buildings.

The barrage came as Russia launched another wave of air strikes on Kyiv, killing at least one person, wounding others and forcing the evacuation of a high-rise building; the fourth attack in three days on the Ukrainian capital.

Aerial attacks have become a regular occurrence in Kyiv since Russia began targeting civilian infrastructure with mass air strikes last autumn. The assault yesterday was the 17th on the capital in May alone after Ukraine's air force shot down dozens of ballistic cruise missiles and drones over Kyiv early on Sunday and into Monday.

The Ukrainian Air Force said Nato-grade air defence systems, including the US-made Patriot, had been used to defend the capital in recent days.

In Moscow, two people suffered minor injuries after drones struck residential buildings in the city's south-west, said Sergei Sobyanin, the mayor. Although Putin did not say how Russia would respond and claimed it did not attack civilian targets in Ukraine, he made his first reference to a possible nuclear escalation in months, accusing Ukraine of trying to cause an accident at a nuclear power plant in occupied Zaporizhzhia or use a dirty bomb.

The claims, first made last autumn, sparked fears in the west that Russia could be using it as a pretext for its own nuclear use as its battlefield position falters.

Russia's anti-air defences had proved "satisfactory", he said, but "there is still work to be done", adding that Russia had experienced similar problems at Hmeimim air base during its campaign supporting Bashar al-Assad in Syria.

Sergei Shoigu, Russia's defence minister, said Ukraine had used eight drones in the attack, but none had hit their targets.

He claimed Russia had downed five drones outside Moscow with Pantsir anti-aircraft systems and forced the other three to crash.

Ukraine has not claimed responsibility for the attack, which would mark one of its largest drone strikes on Russia since the war.

Ukraine. Military strategy

Kyiv seeks to rattle Kremlin ahead of offensive

'Shaping operations' such as drone attacks aim to deceive enemy and meddle with minds

JOHN PAUL RATHBONE, ROMAN OLEARCHYK AND CHRISTOPHER MILLER
KYIV
HENRY FOY — BRUSSELS

First there was a mysterious drone strike on the Kremlin. Next came an "invasion" whose embarrassing implications for Moscow could prompt it to divert frontline troops to border regions.

Then, late last week, Ukraine launched a marine drone attack on a Russian spy ship in the Black Sea. Yesterday morning, as many as two dozen aerial drones attacked Moscow.

Ahead of Kyiv's long-expected counter-offensive, when it aims to retake occupied territory, such attacks are just four of the increasingly daring "shaping operations" that Ukraine has launched this month.

Ranging from symbolic strikes to more strategically significant attacks, these shaping operations form part of standard military practice. Their aim, defence officials and analysts say, is to deceive the enemy, meddle with its mindset and otherwise "shape" the battlefield before a large offensive.

"Deception operations have always been part of war, but now their effect is magnified by social media," said John Spencer, a former US army major who chairs urban warfare studies at the Modern War Institute at West Point.

"They are Ukrainian grey zone operations that require Russia to expend resources — be that troops or information operations. They're like a magician's sleight of hand: they deceive the viewer and force his attention elsewhere."

The explosion of two drones against a backdrop of the Kremlin's golden dome on May 3, which Kyiv denied any responsibility for, was the first in Ukraine's recent run of dramatic strikes.

Then, in yesterday's strikes on Moscow, which followed a wave of Russian attacks on Kyiv, several drones exploded over the capital. Russia claimed to have downed them all before they reached their targets, but the attack again exposed the capital's vulnerability.

"A successful offensive starts with a successful psychological offensive," said a senior Ukrainian official. "Their [Russian] morale is not at its highest level."

Moscow hit: a police officer secures the area at a damaged multistorey apartment building after a drone attack in the city yesterday
Kirill Kudryavtsev/AFP/Getty Images

An equally bizarre event came on May 22 with an incursion by two Ukraine-backed groups of far-right partisans into the Russian border province of Belgorod, which the Ukrainian official said showed Russians that "their borders are not impenetrable".

Ukrainian social media lit up with memes that proclaimed the establishment of the "Belgorod People's Republic". In Russia, by contrast, the raid dismayed hardline military bloggers, and led to heated criticism of the defence ministry by Yevgeny Prigozhin, founder of the Wagner paramilitary group that has spearheaded Russian attacks in the Donbas city of Bakhmut.

"The idea is to create a lot of dilemmas for the Russian command structure," said Mike Martin, a former British army officer and author of *How to Fight a War*. "Problems — such as a breakthrough of the front line — focus attention. Dilemmas, by contrast, paralyse action."

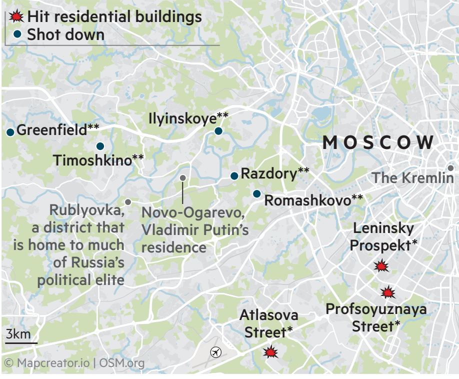
> 'The idea is to create a lot of dilemmas for the Russian command structure'

The shaping operations seem to have had some psychological effect in Moscow. Commenting on the Belgorod incursion, Kremlin spokesperson Dmitry Peskov said the war required "very difficult and tense work" that "constantly created questions".

Following the drone attack on Moscow yesterday, Rybar, a popular pro-war Russian blogger, commented on social media app Telegram: "If the goal of the assault was to stress out the population, then the fact of Ukrainian drones appearing in the skies over Moscow has done enough of that already."

A Ukrainian military intelligence official meanwhile commented that the raid and others that might follow sought to "deliver a blow to [Russian] morale and force them to redeploy troops" along the border — although "we have not yet seen any indication" of that.

Drone attacks on Moscow



Sources: *Photo and video evidence in Russian media; **Russian State Duma deputy Alexander Khinshtein FT graphic

Ukraine successfully used similar tactics last summer. For weeks, it talked up the notion of a southern counter-offensive. When Russian forces moved south in anticipation of that attack, Kyiv launched a blitzkrieg to the north instead that punched through thinned-out Russian lines situated around Kharkiv.

Russia has not stood by idly. It has stepped up missile and drone attacks on Ukrainian cities and on what it claims to be military targets. As the final of the Eurovision Song Contest was being held in the UK, it bombed Ternopil, the Ukraine act's home city.

On May 13, a huge explosion, possibly of an ammunition depot, shook the western Ukraine city of Khmelnytsky, damaging schools, medical centres, apartment buildings and industrial facilities, according to the local mayor. The city's air base was also struck on Monday.

Russia has also deployed information operations, such as spoofing the tracking data of commercial ships to create the impression of a 65km-long Russian pro-war Z symbol in the Black Sea. It has also built formidable defensive fortifications along the front line.

Western officials caution it is far from clear how effective Ukraine's counter-offensive will prove to be. But Ukraine will continue its shaping operations, combining them with precise attacks that seek to corrode Russian military assets and capabilities, they say.

These may include long-range strikes using UK-supplied Storm Shadow cruise missiles, which Ukraine's defence minister, Oleksiy Reznikov, has called "treats", to drone attacks on what the senior Ukrainian official calls "fat targets" such as the reconnaissance ship Ivan Khurs.

"They [the Ukrainians] are testing and probing and finding out what works and what doesn't," said a senior western official. "The whole point of this counter-offensive is that neither Russia nor the [western allies] know when it has really begun, and what we're seeing now is them forcing the Russians to keep second guessing."

From the Ukrainian point of view, that nervous uncertainty is key. Commenting on state television last week after the Belgorod raid, Oleksiy Danilov, Ukraine's national security chief, said: "[The Russians] need to get used to it."

Additional reporting by Ben Hall in London and Max Seddon in Riga

Eurozone

Shadow bank funding raises risks for big lenders, warns ECB

MARTIN ARNOLD — FRANKFURT

The largest eurozone lenders are exposed to "spillovers" of stress from outside the banking system, relying on so-called shadow banks for more than 15 per cent of their funding, the European Central Bank has warned.

The rapid growth of shadow banks — a group that includes insurers, hedge funds, asset managers and pension funds — since the 2008 financial crisis has left eurozone lenders increasingly vulnerable to "liquidity, market and credit risks", the ECB said yesterday.

Researchers at the central bank found the eurozone's 13 largest banks in the eurozone account for about 80 per cent of all borrowing from shadow banks, or non-bank financial intermediaries (NBFI).

"Any turmoil in the NBFI sector is likely to disproportionately affect large, complex, systemically important banks, as asset exposures, funding linkages and derivative exposures are concentrated in this group," the officials said.

Global financial regulators have become concerned that rising interest rates and falling asset prices in areas such as commercial property could cause serious stress among shadow banks, which are more lightly regulated than lenders.

> The biggest risk identified was that funding could be pulled from the banking system at times of stress

Luis de Guindos, vice-president of the ECB, last week proposed ways to clamp down on rising risks at shadow banks, which he warned had left EU regulation "ever more insufficient" to prevent further financial market shocks from triggering a wider liquidity crisis.

The biggest risk identified by the ECB, which examined the connections between 80 lenders and NBFIs, was that funding could be pulled from the banking system at times of stress.

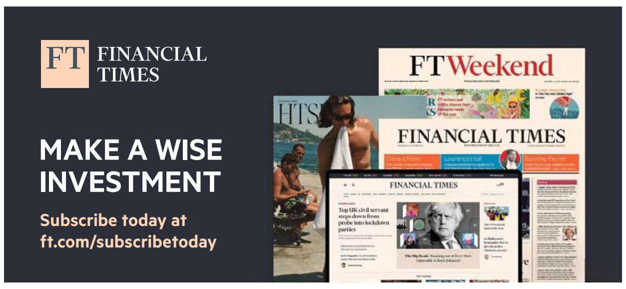
"Although small relative to retail and corporate deposits, deposit funding from NBFI entities can be particularly vulnerable to changes in market conditions," the researchers said.

Another channel of potential risk transmission is via banks' derivatives trading, one-fifth of which they conduct with shadow bank entities.

Loans and other exposures to shadow banks account for about 9 per cent of the total assets of eurozone banks, the ECB said. But it added many shadow banks were related to banks through partial ownership or sponsorship of special-purpose vehicles. Shadow banks also hold about 28 per cent of all debt securities issued by eurozone lenders.

The report came as the ECB separately published monthly data showing how bank lending in the eurozone continues to be squeezed by higher interest rates and concerns about rising risks.

Bank lending to eurozone households grew at an annual rate of 2.6 per cent — the lowest monthly rate for six years. Business lending grew at an annual rate of 3.8 per cent — the slowest pace for more than a year.



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Balkans clashes

US curbs ties with Kosovo for stoking ethnic tensions

MARTON DUNAI — BUDAPEST
RICHARD MILNE — OSLO
HENRY FOY — BRUSSELS

The US has outlined punitive actions against Kosovo for stoking ethnic tensions that led to Nato peacekeepers and Serb protesters being injured in the worst clashes in the Balkan country this year.

Kosovo authorities over the weekend deployed police to ensure ethnic Albanian mayors who had won a disputed April election took up their offices in majority-Serb communities in the north of the country.

Hundreds of Serbs took to the streets and clashed with national and international law enforcement on Monday, resulting in more than 50 protesters and 30 Nato troops being injured.

"The actions taken on Friday to gain access to public buildings were not coordinated with the US," said the US ambassador to Pristina, Jeff Hovenier. "When we found out we strongly said no because we foresaw the consequences we are seeing now," he said, adding that they had warned Kosovo of the "negative impact" on its image and efforts to normalise relations with Serbia.

Washington is traditionally a strong ally of Kosovo, whose independence is still not recognised by Serbia and a handful of EU countries.

Hovenier said the US would cancel Kosovo's participation in joint military drills and put diplomatic meetings on hold. Washington would also stop advocating for Kosovo's coveted membership in international organisations such as the UN or the EU.

Separately, Nato announced it would deploy an extra 700 troops to maintain peace in the country, bringing the overall number of peacekeepers to about 4,500.

Albin Kurti: Kosovo PM condemned 'ultra-nationalistic graffiti' by Serbs

"We strongly condemn the unprovoked attacks," Nato secretary-general Jens Stoltenberg said yesterday. "Such attacks are unacceptable and must stop . . . Violence sets back Kosovo and the entire region and puts Euro-Atlantic ambitions at risk."

Pristina and Belgrade reached a tentative agreement to normalise relations in March that included more rights for the ethnic Serb minority. That deal is now under threat, with possible knock-on effects for the stability of the region.

"The process is badly damaged," said Edward P Joseph, a Balkans expert at Johns Hopkins University in the US.

"I hope the . . . agreement is not dead but such irresponsible behaviour makes these agreements exceedingly difficult to implement."

EU top officials have also condemned the violence. "Violent acts against citizens, against media, against law enforcement and [Nato] troops are absolutely unacceptable," Josep Borrell, the EU's foreign policy chief, said yesterday. EU member states were discussing "possible measures to be taken if the parties continue to resist proposed steps towards de-escalation", Borrell added. "We cannot afford another conflict."

Kosovo's prime minister, Albin Kurti, condemned "ultra-nationalistic graffiti on Nato vehicles", referring to Serbs spray-painting the vehicles with the letter Z, a Russian marking used since Moscow's full-scale invasion of Ukraine. Kosovo Serbs deny ties to Russia but many harbour sympathies with Moscow, long a Slavic ally of Belgrade.

The tensions also come at a time when Serbian president Aleksandar Vučić faces increased domestic pressure after thousands have taken to the streets in recent days to protest against the government's response to deteriorating public safety after two mass shootings.

Vučić, who has raised the Serbian army's combat readiness to the highest level, made an overnight visit to troops close to the Kosovo border. He also held meetings with the ambassadors of Russia and China as well as those from the US, UK, France, Germany and Italy.

INTERNATIONAL

Business leaders weigh alternatives to DeSantis

Youngkin and Kemp find favour with donors wary of Florida governor's bid to become Republican presidential nominee

JOSHUA CHAFFIN AND JAMES POLITI
WASHINGTON

A lacklustre early performance by Ron DeSantis in his bid for the Republican presidential nomination is reopening the market for alternatives to Donald Trump.

Business leaders, in particular, are looking for a candidate wedded to conservative policies but without the culture war fervour displayed by the Florida governor or the theatrics and unpredictability of the former president.

Among the names being discussed are Republican governors Glenn Youngkin of Virginia and Brian Kemp of Georgia, both of whom have hosted recent meetings for high-level donors.

"It would be welcome to have someone in the race who wasn't trying to out-Maga Trump on economic issues, a Reaganesque candidate who can talk about free-market policies and praises, not demonises, big business," said Brian Darling, a former aide to Senator Rand Paul and executive at the conservative Heritage Foundation.

Youngkin has said he would not run "this year". Asked about his plans last week, he said: "It is so humbling that there is an expectation that I might do this . . . But I'm going to continue to focus on Virginia."

Still, the growing clamour to enlist him is prompting Republicans to parse his words. "Youngkin is meeting with business types who are open to his message . . . basically that he's not crazy," said an adviser to a top New York donor.

A source close to Youngkin's political operation acknowledged that donors were encouraging him "to keep his future options open".

Others are clamouring for Kemp, who twice beat progressive Stacey Abrams in the governor's race and proved sturdy in opposing Trump's effort to overturn the 2020 presidential election result in Georgia. "Brian Kemp is beloved by conservatives," said Daniel Faraci, a Republican strategist who introduced DeSantis to conservative groups in Washington when he first ran for Congress.

Other potential Republican candidates pitching to the business community are Chris Sununu, New Hampshire governor, and Chris Christie, the former New Jersey governor. Sununu in particular has criticised DeSantis for attacking Disney and other corporations over supposedly "woke" policies, a practice he has rejected as contrary to the party's traditional principles.

"I think the best foundation of the Republican party is limited government, local control. Appreciating that private businesses and the free market are what made this country great," Sununu said during a Fox News interview in Florida.

Christie, who billed himself as a tough but pragmatic conservative in a failed bid for the party's 2016 nomination, is also being encouraged by donors to consider another run and is expected to make a decision soon.

"There was a moment and [DeSantis] lost it, and that's led to people looking for a third option," said Mike DuHaime, a Republican consultant in New Jersey who is close to Christie.

Still, some Republican analysts are convinced the race is Trump's to lose, and that challenging him carries substantial risk. In doing so, a candidate would be signing up for months of pummeling that might result not only in defeat but also their political demise. Further, the more people who enter the race, the greater Trump's chances of prevailing over a divided field.

Others who have jumped into the race have failed to gain traction. According to the latest Realclearpolitics.com polling average, Nikki Haley, the former South Carolina governor, is backed by 4.6 per cent of Republican primary voters, while Asa Hutchinson, the former Arkansas governor, is supported by just 0.8 per cent. Tim Scott, the South Carolina senator who announced his bid last week, garnered 1.9 per cent of voters.

DeSantis's campaign got off to a glitch-filled launch on Twitter alongside Elon Musk. The Florida governor began manoeuvring late last year when Trump appeared vulnerable and pundits speculated the populist spell he had cast over the party had at last broken.

Candidates the former president endorsed in the midterm elections fared poorly in key races in Pennsylvania, Georgia and Arizona. Rupert Murdoch's News Corp media empire turned on Trump, branding him a "loser" in the New York Post while anointing DeSantis as the party's future. Multiple criminal investigations also appeared to threaten Trump's viability as a candidate.

"Right after the midterms there was an opportunity for somebody to challenge Trump but nobody stepped up except DeSantis," Darling said.

DeSantis generated early enthusiasm and built a formidable war chest but has since struggled. One challenge for DeSantis is how to confront Trump without alienating the former president's fans. Recent opinion polls show him trailing Trump by more than 30 percentage points, although it is still early days. DeSantis will hope to regain momentum this week with appearances in Iowa and New Hampshire.

For many business leaders, his relentless focus on hot-button social issues, such as restricting abortion and limiting school curricula, has been a turn-off, as well as doubts about his aloof manner.

Thomas Peterffy, founder of Interactive Brokers, sent $1mn to Youngkin's operation after recently saying he was halting donations to DeSantis. Other big GOP donors, such as Stephen Schwarzman, Blackstone chief executive, have met DeSantis but not yet committed.

While DeSantis has stumbled, Trump's buoyant polls are a reminder of the durability of his bond with supporters despite legal troubles, including a $5mn judgment in a civil lawsuit in which he was accused of sexual assault. He also has an insurgent's vigour.

"This is not Trump 2020," said Faraci. "This is Trump 2016."

By contrast, Faraci has been critical of DeSantis's continued hostilities with Disney over its criticism of the so-called "Don't Say Gay" law he signed last year, which curbs discussion of sexual orientation in elementary schools. He says DeSantis should have used Bob Iger's return as chief executive as a chance to make peace, but is still in a feud with the state's largest private employer.

Janan Ganesh see Opinion

'There was a moment and [DeSantis] lost it, and that's led to people looking for a third option'

Conservative search: Ron DeSantis, making a speech in Maryland last month, has given a lacklustre early performance in his presidential bid. Potential Republican alternatives include Glenn Youngkin, top, and Brian Kemp, above — Anna Moneymaker/Getty

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INTERNATIONAL

Middle East

Bank of Israel warns on price of judicial reform

Continued controversy has significant economic cost, says governor

JAMES SHOTTER — JERUSALEM

The Israeli economy has suffered "a significant domestic shock" from the fight over the bitterly contested judicial overhaul pushed by Benjamin Netanyahu's far-right government, the country's central bank governor has said.

In a speech in Jerusalem yesterday, Amir Yaron said the controversy over reform of the judiciary, which sparked one of the biggest waves of protests in Israeli history, had damaged how markets perceived Israel's economic stability. "This does not mean that all of a sudden the world will stop trading with Israel. It also does not mean that we will not see significant investments in the Israeli economy," he said, pointing to the recent announcement by chipmaker Nvidia saying it would build a supercomputer in Israel.

"But it does mean that continued uncertainty has significant economic costs. Therefore, the decision makers must restore certainty about the economy in Israel . . . To the extent that constitutional changes are made, they must maintain the strength and independence of the institutions."

Netanyahu's coalition government, which unites his Likud party with ultrareligious and extreme right factions, took power in December and made overhauling the judiciary a priority, unveiling proposals that would radically weaken Israel's top court.

Government officials argued that the changes — which included giving the coalition greater control over the appointment of judges and severely limiting the top court's ability to strike down laws — were necessary to rein in activist judges who had used powers

> 'Decision makers must restore certainty about the economy in Israel'
>
> Amir Yaron, central bank governor

they were never formally granted to push a partisan, leftwing agenda.

But critics — including security officials, former central bank chiefs, tech sector executives and the opposition — saw the plans as a politically motivated power grab that would undermine checks and balances, pave the way for the evisceration of minority rights, foster corruption and damage the economy.

After months of protests, which culminated in a brief general strike in late March, Netanyahu backed down, and postponed the overhaul to allow for compromise talks between government and opposition representatives.

But he said last week that his coalition would return to the judicial overhaul — prompting warnings from opposition leaders that protests would erupt again. One of the most sensitive aspects centres on the panel that elects supreme court judges, where the coalition has proposed giving itself greater influence.

Two representatives of parliament on the nine-strong panel are due to be chosen on June 14. Traditionally, one comes from the opposition, but government officials have threatened to appoint two coalition lawmakers instead.

The remarks by Yaron are the latest warning by the Bank of Israel about the potential impact of the judicial plans. Last month, it published forecasts suggesting that the fallout if the reforms did not go smoothly could knock an average of up to 2.8 per cent annually off economic output over the next three years.

Prices data

Sharp drop in Spanish inflation boosts PM's poll hopes

MARTIN ARNOLD — FRANKFURT
BARNEY JOPSON — MADRID

Spanish inflation has dropped to 2.9 per cent, its lowest level for almost two years, boosting hopes that price pressures will ease quickly across the eurozone, providing Prime Minister Pedro Sánchez with a timely boost, two days after calling a snap general election.

Economists said the better than expected fall was good news for the European Central Bank, suggesting that inflation data for the rest of the eurozone later this week could show a rapid deceleration across the region.

However, Spain already had one of the lowest rates of inflation in Europe even before the latest figures, and economists said it could take longer for a similar cooling of price pressures to happen elsewhere in the region.

Annual consumer price growth in Spain slowed from 3.8 per cent in April, which was a much bigger drop than the decline to 3.4 per cent forecast by economists in a Reuters poll.

Spain's statistics office said the main factor curbing inflation was a fall in fuel prices. Slower growth in food and non-alcoholic drink prices "also played a role, but to a lesser extent", it added.

> 'I don't think we can read that much into the wider eurozone figure from today's Spanish numbers'

Spain's ruling Socialist party, led by Sánchez, sought to take credit for the country's relatively low inflation, linking it to government energy policies aimed at dimming the effect of high gas prices. But the devastating results of local and regional elections on Sunday showed the message did not resonate with voters.

As the Socialists lost control of huge parts of Spain to the conservative People's party, discontent over Sánchez's political alliances outweighed any perceptions that the premier had steered the economy through a series of crises.

Sanchez on Monday responded to the election results by announcing he was bringing forward this year's general election to July 23.

Eurozone bond markets rallied in response to the inflation data and the euro fell against the dollar as investors bet that inflation in the bloc could fall quicker than expected and require fewer rate rises by the ECB.

But bond prices later fell back and the euro recovered, as economists said Spain's data might not be matched across the rest of Europe.

"I don't think we can read that much into the wider eurozone figure from today's Spanish numbers, though they are good news in their own right," said Claus Vistesen, an economist at Pantheon Macroeconomics.

After stripping out energy and unprocessed food, inflation in Spain fell from 6.6 per cent to 6.1 per cent, which showed underlying price pressures were still "relatively high", said Andrew Kenningham, an economist at Capital Economics, who added the structure of Spain's electricity market meant any changes in wholesale energy costs were transmitted to consumer prices much faster than in most of Europe.

Joint statement

Tech chiefs say AI poses similar threat to nuclear war

CRISTINA CRIDDLE — LONDON

A group of chief executives and scientists from companies including OpenAI and Google DeepMind has warned the threat to humanity from the fast-developing technology rivals that of nuclear conflict and disease.

"Mitigating the risk of extinction from AI should be a global priority alongside other societal-scale risks, such as pandemics and nuclear war," said a statement by the Center for AI Safety, a San Francisco-based non-profit body.

More than 350 AI executives, researchers and engineers, including Sam Altman of OpenAI, Demis Hassabis of Google DeepMind and Dario Amodei of Anthropic, were signatories of the one-sentence statement.

Geoffrey Hinton and Yoshua Bengio, who won a Turing Award for their work on neural networks and are often described as "godfathers" of AI, also signed the document. Hinton left his position at Google at the beginning of the month to speak freely about the potential harms of the technology.

AI launches from Big Tech companies have heightened awareness of its potential flaws, including spreading misinformation, perpetuating societal biases and replacing workers.

EU lawmakers are pushing ahead with an Artificial Intelligence Act, while the US is also exploring regulation.

Microsoft-backed OpenAI's ChatGPT, launched in November, is seen as leading the way in the widespread adoption of AI. Altman gave testimony for the first time in US Congress this month, calling for regulation by licensing.

In March, Elon Musk and more than 1,000 other researchers and tech executives called for a six-month pause on the development of advanced AI systems to halt what they called an "arms race".

With the one-line statement, the Center for AI Safety told The New York Times that it hoped to avoid disagreement. "We didn't want to push for a very large menu of 30 potential interventions," director Dan Hendrycks said. "It dilutes the message."

Kevin Scott, Microsoft's chief technology officer, and Eric Horvitz, chief scientific officer, also signed the statement.

Pilita Clark see Opinion on Letters page

Blast-off

China civilian in space first

From left, Gui Haichao and fellow crew members Jing Haipeng and Zhu Yangzhu wave ahead of yesterday's launch in north-west China — Kevin Frayer/Getty Images

China has sent its first civilian into orbit as it prepares to launch a manned mission to the Moon by 2030 and achieve what President Xi Jinping has described as the country's "eternal dream" of becoming a space power.

Gui Haichao, an aerospace engineering professor who studied in Canada, was one of a crew of three "taikonauts", as China's astronauts are known, who blasted off from north-west China's Gobi Desert yesterday, bound for the country's space station.

The launch of the Shenzhou-16 craft, China's 11th crewed space mission, was preceded by a "departure ceremony" that featured a band and well-wishers waving Chinese flags. State media provided blanket coverage.

China has made rapid progress on its space programme as it competes with the US to gain an edge in advanced technology with civilian and military uses. The deputy director of China's space agency on Monday confirmed plans to put a taikonaut on the Moon by 2030. In 2019, China became the first to land on the far side of the Moon.

The following year it completed the Beidou satellite constellation, a rival to the US Global Positioning System.

China landed a rover on Mars in 2021, where it plans to send a crewed mission by 2033 and launched the first part of its space station, designed to remain in orbit for at least a decade. China is the only country with its own such facility after the US barred it from participating in the rival International Space Station in 2011 over national security and technology theft concerns.

Last year, China insisted its programme was peaceful and it would co-operate with others to "safeguard outer space security". But the US suspects China has military ambitions in space, particularly as Beijing is teaming up with Russia on parts of the programme.

The China-Russia partnership aimed to "counter western political and economic pressure, facilitate multipolarisation and achieve common national security goals", said a paper this month by the China Aerospace Studies Institute think-tank at Air University, part of the US Air Force.

The crew of the Shenzhou-16 is expected to undertake cutting-edge experiments, from "the verification of general relativity" to "the origin of life", according to state media.

China's space station was a "huge laboratory", said Quentin Parker, director of the Laboratory for Space Research at the University of Hong Kong. "The reason you have civilian scientists there is that they're the ones with the knowledge. China's ambition as far as a space station is concerned is only just starting. They are talking now about 10 years from now having tourists on board."

China has sought to use the space programme for soft power, stirring up national pride and offering other countries the opportunity to participate, analysts say. But Beijing has struggled to generate as much international support for its programme as US-backed initiatives such as the Artemis Accords, a space co-operation framework.

Joe Leahy in Beijing

Singapore gathering

Beijing rejects US request for defence meeting

DEMETRI SEVASTOPULO — TOKYO

Beijing has declined the Pentagon's request for a meeting between the US and China's defence chiefs at a security forum in Singapore this week, the latest sign of the obstacles to the countries stabilising their turbulent relationship.

The overture had been made for a meeting of Lloyd Austin, US defence secretary, and Li Shangfu, China's defence minister, at the Shangri-La Dialogue, a three-day Asia event starting on Friday and hosted by the International Institute for Strategic Studies think-tank.

"The People's Republic of China informed the US they have declined our . . . invitation," the Pentagon said.

The Financial Times reported this month that China had told the US there was little chance of a meeting as long as it maintained sanctions imposed on Li by the Trump administration in 2018 in connection with Chinese purchases of Russian fighter jets and missiles.

The Pentagon had previously told China the sanctions did not prohibit a meeting in Singapore, but Beijing signalled it would be inappropriate to meet as long as the measures remained.

"This is far from the first time that the PRC has rejected invitations to communicate from the secretary, the chairman of the joint chiefs of staff, or other [defence] department officials," said a senior US defence official. "Frankly it's just the latest in a litany of excuses."

> 'This is far from the first time that [China] has rejected invitations to communicate'

The official added that since 2021, China had declined or failed to respond to more than a dozen requests for senior-level meetings in addition to multiple requests for working-level meetings.

"It's worrisome that the Chinese fail to see the inherent risks in the prolonged suspension of US-China military-military dialogue," said Bonnie Glaser at the German Marshall Fund think-tank.

China's foreign ministry said the US needed to "create necessary conditions for dialogue and communication between the Chinese and US militaries". It did not specify what those conditions were, but Chinese academics said dialogue would be challenging unless the US lifted the Li sanctions.

"The reason for the difficulty . . . is very obvious. The US should work practically to respect China's security, sovereignty and concerns and correct its wrongdoings," the ministry added.

The Shangri-La Dialogue has frequently served as one of the few forums for US defence secretaries to meet their Chinese counterparts. Austin last year met Wei Fenghe, then China's defence minister, at the event.

China's refusal comes less than two weeks after President Joe Biden said at the G7 in Japan he expected an imminent "thaw" in relations. Biden said he was considering lifting sanctions on Li, but the state department clarified that was not the case. Beijing has confirmed Li will attend the event.

Additional reporting by Joseph Leahy and Maiqi Ding in Beijing

Covid-19 origins

Lab leak claims checked, says Chinese scientist

JOE LEAHY — BEIJING
CLIVE COOKSON — LONDON

A top Chinese scientist has said China investigated whether Covid-19 might have originated in a Wuhan laboratory in the first admission from a senior official that it took the so-called lab leak theory seriously after years of denials.

Professor George Gao, former head of the Chinese Centers for Disease Control and Prevention, told a BBC Radio 4 podcast the Wuhan Institute of Virology was checked by experts to see whether the facility could have been the source of the coronavirus pandemic.

"The government organised something. That lab was double-checked by experts in the field" but they were not from his department, he said.

China has clashed with the US over the lab leak theory since Covid emerged in the central city of Wuhan in late 2019, describing claims by the former Trump administration that the virus could have originated in the facility as lies.

The US state department has said that while it did not know the details of how Covid was transmitted to humans, it could have been via contact with animals or an accident at the lab. In a January 2021 fact sheet, the state department said several at the lab became sick in 2019 with Covid-like symptoms.

In the BBC interview, however, Gao said that while he had not seen the result of the investigation, he had "heard" that the lab was given a clean bill of health.

"I think their conclusion is that they are following all the protocols. They haven't found [any] wrongdoing," said Gao. He is now the vice-president of the National Natural Science Foundation of China after retiring from the CDC last year. Gao did not comment when asked.

George Gao: said he had 'heard' the lab was given a clean bill of health

Scientists have speculated that the lab could have been the source of the virus as scientists there tested coronaviruses taken from bats. Another theory is that the virus first emerged in a Wuhan wet market, where it could have been passed from wild animals to humans.

In the BBC interview, the professor did not rule out that the virus could have come from a lab. "We really don't know where the virus came from . . . the question is still open," Gao said. Such comments are not inconsistent with Chinese government propaganda.

The issue of whether Covid originated in a leak from the lab or was transmitted to humans from infected animals has divided scientists. Proponents of the lab leak theory might claim support for their argument in Gao's statement, but his comments were not likely to change many experts' minds, said Professor James Wood, head of veterinary medicine at the University of Cambridge.

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Companies & Markets

High interest rates impede European bank mergers

- Dealmakers warn of two-year setback
- Assets revalued at much lower levels

STEPHEN MORRIS AND OWEN WALKER
LONDON

Rising interest rates have set back European bank mergers and acquisitions by at least two years, dealmakers warn, as a punitive feature of accounting rules means a long-awaited consolidation in the sector faces even higher hurdles.

Dealmakers had bet that higher rates would provide more cash for acquisitions as banks benefited from better margins and a boost to their share prices as profitability improved. Many had also hoped UBS's state-sponsored rescue of Credit Suisse could spark similar deals between national champions.

However, banks across the continent have vast stocks of corporate and consumer loans, as well as government debt, that were sold in a lower-rate environment. As part of any acquisition, those assets would have to be marked to market and valued significantly lower than newer loans issued at more lucrative rates.

> 'Accounting rules and their impact on capital are a big hindrance for M&A at the moment'

"Accounting rules and their impact on capital are a big hindrance for M&A at the moment," said Dirk Lievens, head of the European financial institutions group at Goldman Sachs.

Under the rules, once a takeover is complete, the acquired group's assets and liabilities are reappraised at market rates under a process known as the purchase price allocation.

If it is bought for less than the value of its assets — as most European banks are traded — the acquirer benefits from an accounting gain known as negative goodwill, or badwill. But that gain can be wiped out if the asset values drop as part of the purchase price allocation process.

"With rates rising, you have negative fair value adjustment when marking assets to market upon acquisition and part of the badwill evaporates," said Lievens. He added: "If you are buying a bank at a discount to book value and the purchase price allocation reduces that, what you thought was capital — ie badwill — is not capital any more.

"You would then have to top up the capital, which makes doing bank deals more complicated at the moment."

The speed of the increases in the UK and Europe has not helped. A slower pace would have meant a higher proportion of loans books would have been refinanced over time, easing the impact.

For more than a decade, almost every major European lender has traded at a discount to the book value of their assets as they struggle with high costs and low profitability. Investors, regulators and politicians all called for consolidation with multiple combinations explored, from UniCredit buying Société Générale or Deutsche Bank its domestic rival Commerzbank.

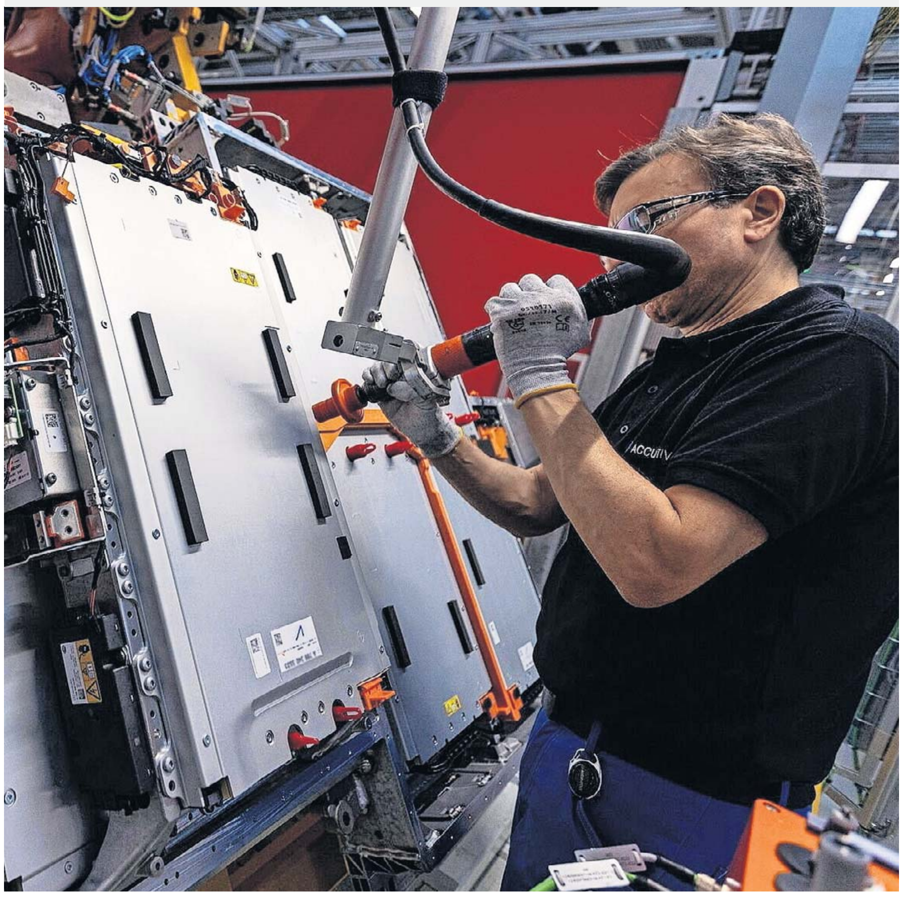
None made it over the line until UBS's enforced takeover of Credit Suisse in March. That was subject to a $13bn fair value adjustment, reducing UBS's badwill gain, the bank reported this month.

"The combination of rapidly rising rates and fair value accounting treatment has created a near-term obstacle to bank M&A," said Andreas Lindh, co-head of the Emea financial institutions group at JPMorgan.

One of the few deals struck in Europe is foundering for this reason. In June 2021, when the ECB rate was zero, Cerberus agreed to buy HSBC's French consumer unit for a token €1. Last month HSBC warned Cerberus may pull out because of rate rises to 3.5 per cent.

See Opinion

Plea for time Mercedes chief says Europe's car supply chain not ready for post-Brexit tariffs



Local source: a worker at Accumotive, a unit of Mercedes-Benz, in Kamenz, Germany — Krisztian Bocsi/Bloomberg

SARAH WHITE — DOUVRIN

The head of Mercedes-Benz has called for a delay in post-Brexit regulations that would add stiffer tariffs on shipments to and from the UK and Europe from next year, saying that the car supply chain in Europe was not yet self-sufficient enough to meet these tougher sourcing requirements.

The German carmaker's chief executive Ola Källenius said January 2024 was "too soon" to bring in tariff rules set out in a post-Brexit trade agreement, rules intended to encourage more local sourcing of vehicle components.

Under these so-called rules of origin, electric cars exported between the UK and the EU will need to have 45 per cent of their parts sourced within the two regions to avoid 10 per cent tariffs.

Källenius joined other European carmakers lobbying for a delay, including Stellantis boss Carlos Tavares who yesterday called for the phase-in date to be pushed back to 2027, warning that the current timeframe was a "lose, lose" situation for the EU and the UK.

"As the production capacity of Europe's battery industry is not yet sufficient, to demand stringent rules of origin poses a major challenge for the competitiveness of our industry," Källenius said at the inauguration of a cell manufacturing plant located in northern France, the first of four planned car battery plants planned in the region.

The factory — which will supply Mercedes' electric cars and is part of its battery partnership with TotalEnergies and Stellantis — was a step in the right direction towards building a standalone European car manufacturing industry, at a time when the region was trying to wean itself off dominant Chinese and Asian batteries, Källenius added.

"But, all in all, January 1 2024 is too soon. We need more time for this transition and we would therefore appreciate political support, together with our British partners, in this matter," Källenius said.

The looming deadline and backlash from carmakers has highlighted the scale of Europe's challenge to catch up with Chinese and South Korean battery producers, the main suppliers globally to electric-vehicle manufacturers.

Mercedes' joint venture with Stellantis and Total, called Automotive Cells Co or ACC, is set to get under way this year with an initial 13 gigawatt/hour capacity at a plant in Douvrin, in northern France.

Two more factories are expected to launch in Germany and Italy by 2030, with the aim eventually of supplying 2mn batteries a year.

Nvidia rides AI wave to achieve $1tn market cap

TIM BRADSHAW — LONDON

Nvidia has become the first chipmaker to hit a $1tn valuation, leading a surge of enthusiasm on Wall Street for companies seen to benefit from the latest developments in artificial intelligence.

Its shares rose more than 4 per cent to hit $406.1 in early trading in New York yesterday, after its chief executive Jensen Huang launched a new supercomputer and struck new AI alliances with companies including WPP and SoftBank on Monday.

Those moves built momentum after Nvidia impressed investors and analysts last week, projecting its sales would rise to $11bn in the three months ending in July, exceeding Wall Street's previous forecasts by more than 50 per cent.

Silicon Valley-based Nvidia began 30 years ago targeting the niche market of 3D computer graphics. Its chips power AI applications including ChatGPT, OpenAI's breakthrough chatbot, as big tech companies and cloud computing providers race to upgrade their data centre technology for what Huang on Monday declared "the tipping point of a new computing era".

High-powered chips such as Nvidia's H100 have become essential to building generative AI systems that are capable of creating text and images that closely resemble what humans can produce. Generative AI promises to unleash new kinds of productivity tools but also threatens to shake up jobs in industries such as media and education.

Nvidia's $1tn market capitalisation puts it among an elite group of US stocks dominated by big tech companies that include Apple, Microsoft, Amazon and Google's parent Alphabet.

Meta hit the $1tn milestone in June 2021, when it was still called Facebook, but dropped below the threshold a few months later. Amazon became the first public company to lose $1tn in market capitalisation in November amid a wider sell-off in tech stocks last year.

Shares in Nvidia lost half their value during 2022 as investors fretted about a slowdown in corporate spending in data centres and pandemic hangovers in the gaming and cryptocurrency markets. But yesterday's rise follows a 25 per cent jump in Nvidia stock last week, taking its gain in 2023 to more than 180 per cent.

Morgan Stanley described Nvidia's outlook upgrade last week as "the largest dollar revenue upside in industry history".

Activist shareholders threaten to unsettle Japan's AGM season

INSIDE BUSINESS
ASIA
Leo Lewis

Every year, the June corporate annual general meeting season in Japan stands as a reminder of the delicate equilibrium in which the Tokyo market operates: shareholders are granted immense disruptive powers, but have been reliably reluctant to use them.

There have been many predictions that this balance might eventually crumble, though it has long held firm. But AGM season 2023, say companies' investor relations departments and investors, already feels as if it will be different.

At the most visible end, there are more shareholder activists targeting Japanese companies than ever before, and several of them, such as Elliott, have prominently expanded their Japan teams since 2022.

Mizuho Securities and others are forecasting that the season will see Japanese companies confronting a record number of proposals from shareholders. Their approach is also shifting: where previously they issued blunt demands for share buybacks and quick asset sales, many now push for systemic shifts in capital allocation, climate policy and transparency.

But a more fundamental challenge is also gathering strength from the traditional end of asset management. This is bound by an increasing list of rules-based mandates to hold companies to account on grounds of board diversity and environmental, social and governance, and threatens to unleash at least some of that long-underused shareholder power on chief executives who fail to address their governance shortcomings.

Japan's AGM season has always been eye-catching, often for the wrong reasons. Because such a high proportion of the country's companies — 2,283 is the current tally — end their financial years at the end of March, June is an obvious time to hold shareholder meetings after the business of full-year reporting and the registering of proposals is done.

But this has been taken to extremes. Back in the mid-1990s, 96 per cent of companies held their AGMs on the same day in June. These days, given the intensifying need to appear shareholder-friendly, the season is slightly more spread out: just under 80 per cent of companies hold meetings over seven days at the end of the month.

> AGM season 2023, say companies' investor relations departments and investors, already feels as if it will be different

Behind that clustering is a technical fear. Japanese companies do not, by convention, have staggered boards, and in the case of almost all companies, shareholders are called on to elect the directors, including the chief executive as representative director. In theory, given that any one of these could be ousted by a support rate of below 50 per cent, that means every year's AGM comes with the notional threat of a total wipeout of a company's gubernatorial bench.

For decades, this theoretical risk was offset in ways that allowed CEOs to sleep easy. Friendly companies formed latticeworks of "allegiant" shareholders who, in combination with docile investor bases, in effect guaranteed that support rates for nominees would arrive in the very comfortable 85-95 per cent zone. But companies can now see that changing rapidly, as stewardship obligations force pension funds and life insurers to be less docile and old habits, such as having boards without a decent contingent of independent members, now create vulnerability for CEOs.

Those companies whose financial years end in December have already held their AGMs, and the struggles that some have had with investors now stand as a warning to the thousands of others holding their meetings over the next four weeks. Fujio Mitarai, the chief of Canon and a towering figure in corporate Japan, scraped through with just 50.59 per cent support. Big shareholders, including BlackRock, voted against Mitarai because Canon has no female directors and he was held responsible.

The top management of retailer Seven & i Holdings survived more comfortably, but only after a sustained attack from the US activist fund ValueAct Capital and intensive efforts by the company to win over shareholders.

Fund managers contacted by the Financial Times report an extraordinary flurry of meetings with the investor relations departments and CFOs of Japanese companies that now feel threatened in the upcoming AGM season, and are seeking to protect their chiefs from a sub-50 per cent vote.

The ideal situation, those fund managers add, is that the threat alone triggers improvement: Japan's equilibrium remains, but with better-governed companies on one side, and less docile investors on the other.

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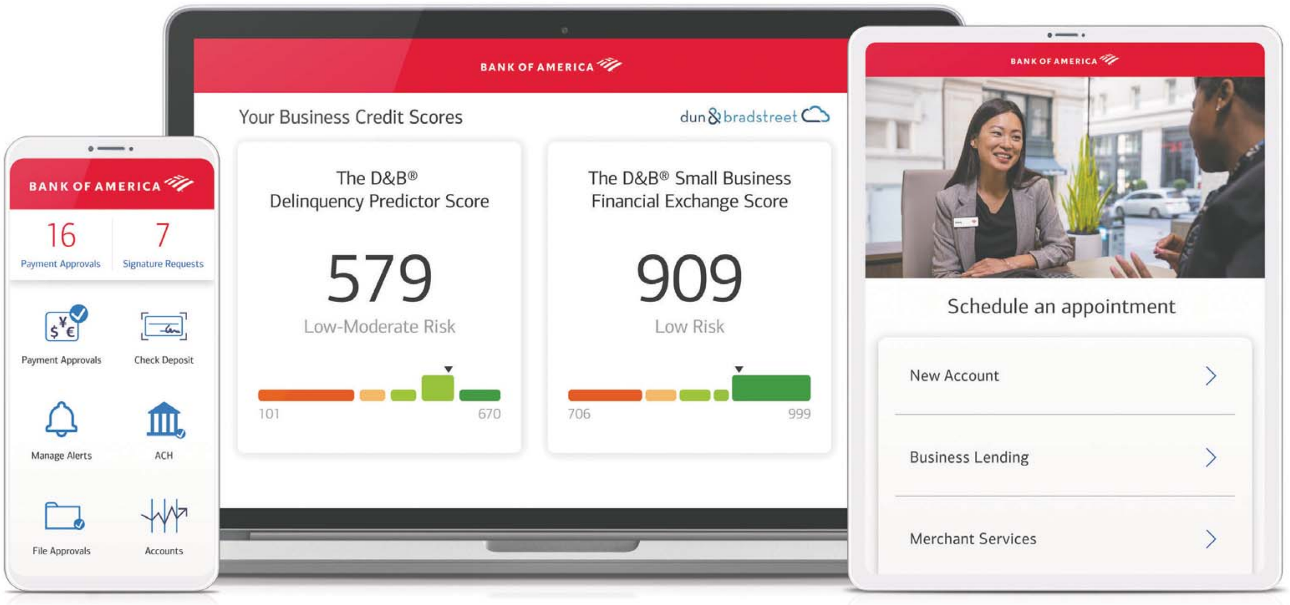

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Geopolitical risk

China urges stable US ties during Musk meeting

Benefits of constructive links underlined as Tesla boss arrives in Beijing

EDWARD WHITE — SEOUL
GLORIA LI — HONG KONG

China called for "stable and constructive" ties with the US in a meeting with Elon Musk that highlighted the complex relationship between Beijing and the boss of Tesla, Twitter and SpaceX.

The foreign ministry quoted Musk, who arrived in Beijing yesterday for his first visit since the outbreak of the pandemic, as comparing US-China interests to conjoined twins and as saying that Tesla opposed any decoupling of the two biggest economies. China is Tesla's biggest non-US market.

The remarks by foreign minister Qin Gang were made against a backdrop of tensions that have brought US-China ties to their lowest point in decades.

Qin told Musk: "A healthy, stable and constructive China-US relationship is not only beneficial to both countries, but also to the world."

In a separate signal of US corporate commitment to China, JPMorgan chief executive Jamie Dimon yesterday met Chen Jining, Shanghai's top Communist party official, ahead of a 2,600-person conference that the US bank is holding in the city on Wednesday.

Shanghai's official social media account quoted Dimon as saying that JPMorgan would play a role as a bridge for foreign companies to invest in the city. The bank declined to comment on what it called a private meeting.

The visits to China by Musk and Dimon come amid rising concerns among foreign businesses in the country following a series of raids on corporate consultancies.

Chinese security hawks have also raised concerns over links between SpaceX, Musk's commercial-rocket and satellite company, and the US military. Twitter, Musk's social media platform, is banned in China.

Musk's trip also takes place amid rising concerns among foreign businesses in the country following a series of raids on consultancies.

Musk is expected to visit Tesla's Shanghai factory this week. Tesla's China office declined to comment.

Musk has in the past struck a sympathetic tone with regard to Beijing on sensitive issues over its US ties, including on Taiwan, which Beijing views as part of its territory. When asked in May about tensions involving China and the US over Taiwan, Musk said there was "a certain inevitability to the situation" given that "the official policy of China is that Taiwan should be integrated".

Chinese defence experts have expressed worries about how Musk's satellites could be used to conduct surveillance or, in the case of a conflict, support Taiwan. Such fears deepened after SpaceX dispatched a shipment of Starlink satellite kits to fortify Ukraine's internet network against invading Russian forces last year.

Musk's arrival in China follows a series of visits in recent weeks by rival car-sector leaders including Volkswagen's Oliver Blume and General Motors' Mary Barra.

Tesla's decision to slash prices in China late last year was the opening salvo in a price war that has intensified competition, especially with BYD, a Shenzhen-based group backed by Warren Buffett's Berkshire Hathaway.

Tesla's share of sales in China's "new energy vehicle" market — which includes plug-in hybrid and battery cars — initially dipped before rising to 9.6 per cent from 7.9 per cent in 2022, according to data from Shanghai-based consultancy Automobility.

However, BYD's market share in the same period has risen from 31.7 per cent to 38.1 per cent.

Additional reporting by Ryan McMorrow in Beijing

Travel & leisure. Publishers

'Genshin Impact' studio seeks to join ranks of top game developers

Shanghai-based miHoYo hopes new title 'Honkai' will help it to catch industry leader Tencent

ELEANOR OLCOTT AND GLORIA LI
HONG KONG

On the eve of last month's launch of its online game *Honkai: Star Rail* staff at the Chinese gaming company miHoYo worked late into the night.

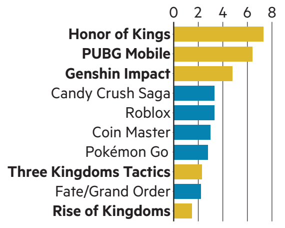
"Everyone was rushing to launch the product. The company has thrown a lot of resources at *Honkai*. It's clear the intention is to make it at least as big as *Genshin Impact* and to make it the main title of the company," said one employee drafted in to work on *Honkai's* release.

A space-travel anime game, *Honkai: Star Rail* is miHoYo's second new title since the breakout success of *Genshin*.

How it performs will determine whether the Shanghai studio can establish an enduring role for itself as one of China's top game developers in the face of competition from industry giants Tencent and NetEase.

Chinese games rank high in mobile gaming revenue

In-app purchases since release of Genshin Impact ($bn), top 10 games



Data excludes purchases on Chinese Android systems
Source: Sensor Tower

Since launching in September 2020, *Genshin*, which is an anime role-playing game set in an open-world environment, has raked in $4.8bn in revenues on mobile, making it one of the top three money-spinning mobile titles, according to data analytics group Sensor Tower.

"I like the game's open-world mode, allowing gamers to traverse the virtual environment freely . . . and it doesn't require players to spend much money to get a good experience," said Changsha-based gamer Ma Ka, an avid player.

The 28-year-old architect has also been playing *Honkai: Star Rail* since its release, lured in by its "generous free items" and format, which he says is "more suitable for tablets and smartphones" than *Genshin*.

China's online gaming market is dominated by Tencent and NetEase, which have 50 per cent and 20 per cent market share, respectively, according to Goldman Sachs research. This is in contrast to most other large gaming markets, where big publishers typically have less than 10 per cent of the market.

"It is too early to say that miHoYo will surpass NetEase or Tencent. But their investment strategy and research and development have been very successful," said Chenyu Cui, a senior gaming analyst at consultancy Omdia.

Genshin's popularity has also underscored the increased competitiveness of Chinese gaming studios, which have been developing games with international appeal to combat slowing growth, stringent censorship restrictions and a regulatory crackdown at home.

The industry suffered a major blow two years ago, when Beijing imposed tight restrictions on the time that minors could spend playing games online, after state media branded them a form of "spiritual opium". Tencent reported that minors' gaming time had collapsed by 96 per cent in the first quarter of this year, compared with the same period three years ago.

Groups such as miHoYo, whose *Honkai: Star Rail* was released last month, have been developing games that have international appeal to battle slowing growth and Beijing's regulatory curbs

The regulatory restrictions led to several of the smaller gaming studios closing down after authorities stopped issuing new gaming licences for nine months. Even the large incumbents saw their revenues decline.

Beijing reopened the floodgates on game licences late last year, bolstering gaming companies' share prices. A week ago, regulators issued licences for 86 games, including a battle anime title from NetEase and a Tencent "first-person shooter" game.

Industry insiders and gamers say restrictions on content have had a less radical effect. Guns, violence and buxom anime girls are still generally allowed, and Chinese game developers' ability to create global smash-hit titles with uncensored versions is undiminished.

One Tencent gaming team member said Beijing's intensified focus on the sector had not "changed the content of the games that much".

"We're still very focused on the experience of the game. We've strengthened restrictions on youth gaming time, but there are not huge differences in the content itself," they said.

Chinese game developers and publishers have increased their overseas market share from 14 per cent in 2019 to 22 per cent in 2022, according to Sensor Tower.

Part of *Genshin*'s strategy to expand international market share has been to release updates every five to six weeks featuring new maps, characters and tasks to keep users coming back and spending money. Most other major titles typically release big expansion packages every three months.

At home, gaming companies are having to balance creating content that can pass Beijing's censorship restrictions in order to obtain a highly prized gaming licence with developing games that still hook the player in with their entertainment and visual appeal. The compromise has meant studios producing watered-down versions of games, says Daniel Ahmad, senior analyst at gaming consultancy Niko Partners.

> 'It is too early to say miHoYo will surpass NetEase or Tencent. But their investment strategy and R&D have been very successful'

He cites the example of changes for the patriotic battle game *Peacekeeper Elite*, where blood had been turned from red to green and the size of blood splatters reduced, compared with the international version of the game that inspired it, Tencent's *PUBG Mobile*. Most changes to appease censors go largely unnoticed though, he added, other than by hardcore gamers.

Ma Ka says the impact of stricter enforcement of censorship rules is clear with *Honkai: Star Rail*. He said *Genshin Impact* was trying to appeal to male gamers with "female avatars with big boobs and sculpted legs in black stockings". By contrast, *Honkai's* characters do not "have exaggerated physical features or wear revealing outfits".

Like many fans of miHoYo titles, this has not deterred him from playing. "I don't need erotic or violent content in the games," he says. "I just enjoy the fun of the game playing."

Hub-upmanship City-state's rise bolsters Singapore Airlines while HK's Cathay reels

MERCEDES RUEHL — SINGAPORE
CHAN HO-HIM AND PRIMROSE RIORDAN AND ANDY LIM — HONG KONG

Just as Singapore Airlines was handing staff an eight-month salary bonus after record profits, Hong Kong was giving away more than 4,400 Cathay Pacific tickets as the city sought to encourage visitors to return.

Shares in Singapore Airlines have risen to their highest level in more than three years after the carrier made clear the strength of its post-pandemic recovery with an annual profit of S$2.16bn ($1.6bn) for the year ending in March.

Shares in Hong Kong-listed Cathay Pacific, meanwhile, have dropped nearly 40 per cent from April 2019. In March the airline unveiled a HK$6.5bn ($830mn) loss for 2022, and shares have remained flat since.

The divergence reflects the rise of Singapore, one of the first countries in Asia to reopen its borders after the pandemic, and the burnishing of its status as a business hub.

Hong Kong, on the other hand, remained largely closed off to travel until late last year, losing its status as the region's busiest airport to Singapore in 2022. Its slow reopening has affected Cathay Pacific, which is also reeling from labour shortages.

Brendan Sobie, an aviation analyst based in Singapore, said the city-state "was ahead of everyone last year in Asia-Pacific [with the reopening]. They benefited from that tremendously. I don't think Cathay Pacific's first financial year after reopening will look like Singapore's. That honeymoon period caused by supply and demand imbalance is waning; they've largely missed out on those market conditions."

Hong Kong tourism is still very early in its recovery, which is reflected in carrier numbers. Singapore Airlines has reached nearly 80 per cent of pre-pandemic passenger capacity, while Cathay Pacific is still at less than 50 per cent.

Singapore Airlines and its wholly-owned budget airline Scoot carried 2.7mn passengers in April, an 85 per cent year-on-year increase and just under the 3.1mn passengers they flew in the same month in 2019. Cathay Pacific carried 1.4mn passengers in April 2023, about 44 per cent of the number in April 2019.

At its annual meeting this month, Cathay Pacific chief executive Ronald Lam said the airline was unlikely to exceed 70 per cent of pre-Covid passenger capacity before the end of this year, citing labour constraints.

An average of 10 to 15 senior pilots had quit Cathay Pacific each month this year, said the Hong Kong Aircrew Officers Association, down from about 30 to 50 each month in the second half of last year. The airline, which had a crew of 3,800 pilots in late 2019, had lost more than 1,800 pilots over the past three years, according to union chair Paul Weatherilt, but had only recruited about 400 new pilots. After seeing wage cuts of up to 40 per cent in 2020, pilots remained disgruntled, the union said.

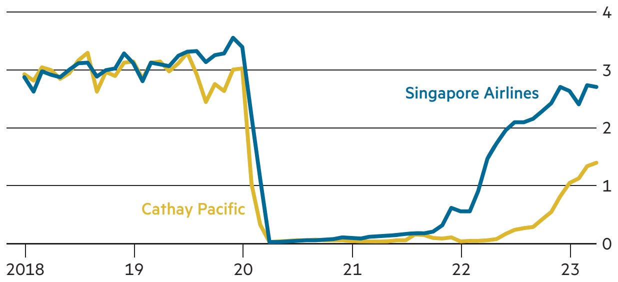
Cathay Pacific said the "attrition rate has normalised across all staff groups" including pilots. Crew base pay had risen 3.3 per cent from the beginning of this year.

JPMorgan analyst Karen Li wrote in a note in March: "Besides Hong Kong having a later reopening timeline than other aviation hubs, Cathay Pacific's slower recovery pace reflects [its] ongoing challenges with supply constraints across the aviation ecosystem . . . [such as] availability of certified manpower."

With wages calculated by flight time, Hong Kong aviation officials had advised Cathay Pacific that some of its pilots had been taxiing at "considerably slower speeds", according to an internal Cathay Pacific memo. And Cathay Pacific sacked three cabin crew after a clip accusing them of joking about a Mandarin-speaking customer's English-language ability went viral. Lam said it had caused "significant damage to the image" of Hong Kong and Cathay Pacific. The flight attendants' union hit back, citing low morale, an increased workload, and lower pay.

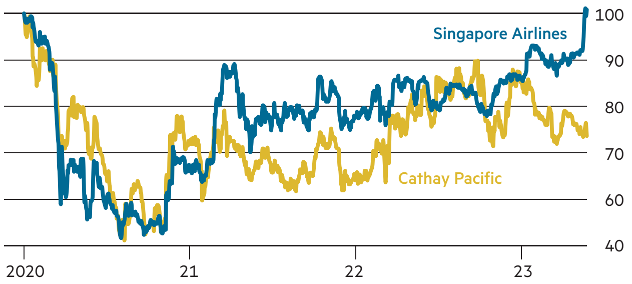
Passengers carried

Monthly (mn)



Stock prices

Rebased



Sources: company reports; Wind; Bloomberg; FT calculations

Singapore Airlines said it had brought back most of the 3,000-plus pilots, many of whom had been furloughed, by the middle of last year. A "very small number" left during the pandemic, it said at the time. The carrier does not provide much detail on its staff. It did not respond to a request for comment.

Since the pandemic, Singapore has gained more transit traffic that traditionally went through Hong Kong. One airline executive said: "Singapore Airlines [did] well last year because they functioned as the only realistic transit hub in all of Asia."

Cathay Pacific posted a 68 per cent drop in sales originating from the Americas to $572mn in 2022 compared with 2019. Singapore Airlines had a 46 per cent rise in sales originating from the Americas to $1.1bn in the 12 months to the end of March this year against the 12 months to the end of March 2020.

The booming conditions that boosted Singapore Airlines are not expected to last. And Hong Kong is throwing billions of dollars into luring back international business and tourists.

"We are still in a dynamic period, and many of us believe most of the benefits have been temporary," said a Singapore Airlines executive. "I'm not sure we will see a profit like that again. Calling a winner seems too early."

Insurers in turmoil after ESG wars spark exodus from climate alliance

Sector's commitment to UN-convened net-zero initiative falters in face of antitrust warnings

IAN SMITH AND KENZA BRYAN — LONDON

Dark smoke billowing across the Richard Rogers-designed Lloyd's of London headquarters and the banner unfurled by climate protesters last week provided a visible reminder of the political war over the role of the insurance industry in global warming.

On the same day in New York, another campaign group was pushing in the opposite direction, with the "anti-woke" group called Consumers' Research targeting the offices of European insurers with a mobile billboard.

It demanded that the companies pull out of the Net-Zero Insurance Alliance (NZIA), a UN-convened body set up two years ago for insurers wanting to cut their carbon footprint and reduce climate change risk. The rightwing pressure group claimed that these efforts to scale back insurance cover for fossil fuel projects were anti-competitive. "Call off the collusion," it blared.

On the latest front in the environmental, social and governance battles testing all corporations, it was the anti-ESG forces that carried the day.

Lloyd's joined a string of big European insurers, as well as a major Japanese and an Australian reinsurer, to quit the alliance by the end of the week, throwing it into disarray.

A letter from US attorneys-general sent to the insurance groups this month raised "serious concerns" over whether the alliance was at odds with antitrust laws. This was a key catalyst for the departures, according to people briefed on the decisions to withdraw at two insurers.

"It's a real shame that the NZIA looks as if it is in the process of collapsing. That shouldn't be the reality," Lindsay Keenan, European co-ordinator at campaign group Insure Our Future, said. "Any sensible person knows that collective action is required to solve the climate crisis."

But Washington-based Consumers' Research executive director Will Hild aims to keep up the pressure, claiming that the alliance was part of a wider "ESG scam". He said: "We're going to be pushing back on the entire conspiracy to enforce environmental policy through corporate collusion rather than the democratic process. It won't be a full victory until NZIA no longer exists."

Some experts said the exits from the insurers' alliance could undermine other industry coalitions and pledges by the wider financial sector to cut emissions. A trickle of banks and asset managers have quit other key climate alliances in recent months because of the ESG backlash.

"It would be naive to suggest there's no risk of contagion [to other climate alliances]," said Simon Holmes, a member of the UK Competition Appeal Tribunal and visiting law professor at the University of Oxford. "One person gets cold feet, the next does as well . . . everybody loses from this."

He added that while it was possible to characterise withdrawing insurance cover from fossil fuels projects as anti-competitive "in a narrow sense", there was a strong case that coalitions such as the NZIA met the conditions to be exempt from these laws, on the grounds of a wider consumer benefit.

The anti-ESG campaigners' "bigger victory", said Jakob Thomä, co-founder of a non-profit think-tank, the 2 Degrees Investing Initiative, was in casting a cloud. "It adds transaction costs," he said. "People will know to cross their t's three times, four times, to try to protect themselves from being caught in the crosshairs of the anti-ESG movement."

Polar opposites: climate activists protest against fossil fuel insurers outside the Lloyd's Building in London, while in New York (below) the pressure group Consumers' Research calls on companies to quit the net-zero alliance — Mike Kemp/In Pictures via Getty Images

The attacks were also a sign that net zero policies were starting to become a "pain point" for fossil fuel industries, Thomä added.

The insurance initiative was one part of the broad umbrella group, the Glasgow Financial Alliance for Net Zero, set up by former Bank of England governor Mark Carney ahead of the UN climate summit held in 2021.

It warned on Friday that the "political attacks are now interfering with insurers' independent efforts to price climate risk, which will harm policyholders, main street investors and local economies".

The NZIA faced criticism from the start — but more frequently that its collective action was too weak, rather than too strong. Climate campaigners questioned why a policy banning the insurance of coal projects was not a condition for entry. At the time, the NZIA's leadership cited "antitrust issues".

Even with what many climate activists saw as a low bar to membership, it failed to attract US insurers as members. Soon after its launch, the secretary-general of the public-private Insurance Development Forum said it was uncertain that the industry could "make much progress" without the backing of the vast US insurance sector.

At the same time, industry intentions to reduce their underwriting exposure to climate risk have come up against arguments about energy security and the impact on coal-dependent economies.

"Enabling the transition, I think, is a more productive outcome for society than shutting off the lights," Carl Hess, chief executive of major insurance brokerage Willis Towers Watson, said last year.

Lloyd's of London, which had set a goal to end new insurance for the dirtiest projects of thermal coal and oil sands, as well as Arctic drilling, from the start of last year, also then appeared to row back. It said it was "not mandating" the exclusion of these policies, saying it was down to individual companies in the market to make their own underwriting decisions.

Those insurers now departing the net zero alliance are still largely expected to continue to disclose the greenhouse gas emissions associated with their underwriting, in the framework provided by the Partnership for Carbon Accounting Financials.

At a company level, some insurers are stepping up their exclusions for clients that do not bring their business in line with climate goals.

> 'Any sensible person knows that collective action is required to solve the climate crisis'

The property and casualty insurer called If, part of Nordic group Sampo, began screening its corporate customers for ESG criteria in 2021. Out of more than 600 clients, 19 were found to have fallen short of sustainability standards, it said. For two clients with a bad record of pollution, it plans to decline insurance at the next renewal, while others are on watch.

Chief executive Morten Thorsrud said it was "happy to help [clients] by nudging them towards a more sustainable strategy and operations".

US insurers are also taking steps to reduce their risk individually. New York-listed Chubb, a leading energy insurer, announced new underwriting criteria that would require clients to reduce their emissions of methane, the largest component of gas and a significant contributor to global warming.

Insurers will continue to be dragged in both directions. A report from Greenpeace Nordic this week said 69 insurers, including Lloyd's companies, still cover groups planning new oil and gasfields in Norway.

At the same time, anti-ESG campaigners are expected to intensify criticism of climate plans during a divisive US presidential election campaign in the year ahead.

"This is a distraction, but we stay the course," said Curtis Ravenel, a senior adviser to Gfanz. The private sector could only "go so far", he added, with government intervention to provide rules and standards needed to "truly catalyse climate action".

Energy

Former Enel boss says green transition is unstoppable

SILVIA SCIORILLI BORRELLI — TRENTO
WILL LOUCH — LONDON

The former chief of Italy's largest state-backed utility has said all governments will have to tackle the green transition regardless of their beliefs about climate change.

Francesco Starace, who is joining private equity group EQT in June after being pushed out of Enel by Giorgia Meloni's government, said in an interview that even the more reluctant policymakers would "converge" in aiming to decarbonise the economy.

"Not everybody understands it properly and some politicians don't understand where the transition is going, but we shouldn't be troubled," Starace said. "Eventually they will all converge."

He added: "During my nine-year tenure as chief executive of Enel I met six [Italian] governments, the transition happens anyway."

While Starace minimised his departure from Enel saying "it was time to use my experience elsewhere", international investors in the energy group saw Rome's decision to replace him as a sign that his transition-focused strategy could be reversed. Starace said: "I don't see that happening because investors want the transition and it's the obvious direction [in which] to go for companies like [Enel]."

The executive transformed the €60bn utility into one of the world's largest renewable energy producers after taking over in 2014. However, the group's debt also grew to more than €60bn, another sticking point with the government. Starace launched a €21bn asset disposal plan last year in an attempt to reduce net debt.

Enel declined to comment on the new management's strategy. The group's chair, Paolo Scaroni, said in March, before his appointment, that the "energy transition is a necessary target but I am convinced nuclear [as opposed to renewable] energy is the only technology that can help us leave behind fossil fuels".

Nuclear power for electricity generation was completely phased out in Italy after a referendum in the country in 2011.

Meloni's rightwing coalition has opposed plans to ban the sale of combustion engine cars from 2035. Earlier this year she said the government was not composed of "dangerous climate change deniers" but that a "more pragmatic and gradual approach [to energy transition] was needed".

Starace said transition would affect all industries: "[It] starts with the energy sector, but it will go through the economies of the world."

As a partner at EQT, Starace said he would lead global investments into renewable energy. "The need for private capital going forward to make the energy transition happen is huge," he added.

EQT announced in February that its newest fund was seeking to raise €21bn to invest in key infrastructure and energy assets. This month the Swedish firm's infrastructure fund took a majority stake in Italian mobile provider Wind Tre's network company.

Starace had previously hinted at wanting potentially to retire after stepping down from the top job at Enel. "Its time to give back [what] I learned and help others avoid mistakes, EQT is a great vehicle [for this]," he said. "What I did promise myself is not to be CEO ever again."

Pharmaceuticals

Bankruptcy ruling shields Purdue owners from opioid lawsuits

JAMIE SMYTH AND SUJEET INDAP
NEW YORK

Members of the Sackler family who own Purdue Pharma can be shielded from lawsuits linked to the US opioid crisis in exchange for payments worth up to $6bn, appellate judges have ruled in a reversal of a lower court's decision.

The judgment addresses a controversial provision of US law that released Sackler family owners of Purdue from liability as part of the company's bankruptcy settlement. The maker of the powerful painkiller OxyContin, Purdue filed for bankruptcy in New York in 2019 amid a wave of litigation over its role in an opioid epidemic that has killed almost 1mn people in the US.

A bankruptcy judge in 2021 approved a settlement that required the family owners to pay $4.5bn and provided them with immunity from future lawsuits. A federal judge overturned that settlement later that year.

The company's Sackler owners then agreed to increase their financial contribution from $4.5bn to $6bn, winning support from several dissident victims groups and states which had opposed the original deal.

Yesterday, a three-judge panel of the US Court of Appeals for the Second Circuit reversed the lower court and said that US bankruptcy law permitted giving civil liability protection to parties who are not in bankruptcy in certain situations.

The powerful painkiller OxyContin is manufactured by Purdue Pharma

"The bankruptcy court's inclusion of the releases is equitable and appropriate under . . . the specific factual circumstances," the judges wrote.

The announcement paves the way for the bankruptcy court to approve a modified settlement that would protect the Sackler family from lawsuits.

The US bankruptcy trustee, a division of the US Department of Justice which had opposed the releases, declined to comment on whether it would appeal against the ruling to the US Supreme Court.

Such releases have become controversial in US bankruptcy cases, with appeals courts in different US regions or legal circuits differing on whether to approve them.

Purdue's initial $4.5bn settlement was thrown out following a legal appeal by a group of eight US states and the attorney for the Southern District of New York, which had argued that Sackler family owners were benefiting from the bankruptcy process without having personally filed for Chapter 11 protection themselves.

Opponents of the original settlement pointed to analysis presented in the bankruptcy court that showed the Sackler family members who own Purdue had taken more than $10bn out of the company between 2008 and 2017.

Lawyers for Purdue warned that without such a settlement, years of litigation would delay payments to victims and shrink the available pot.

In a statement, the families of the late Mortimer Sackler and the late Raymond Sackler said yesterday that they "believe the long-awaited implementation of this resolution is critical to providing substantial resources for people and communities in need".

They added: "We are pleased with the court's decision to allow the agreement to move forward and look forward to it taking effect as soon as possible."

Legal Notices

Petroplus Marketing Ltd. in debt restructuring liquidation / publication of provisional distribution list for the fifth interim payment

The provisional distribution list for the fifth interim payment in the debt restructuring proceedings with assignment of assets concerning **Petroplus Marketing AG in debt restructuring liquidation**, Industriestrasse 24, 6304 Zug, will be open to inspection by the creditors concerned between 31 May 2023 and 12 June 2023 at the offices of the liquidators, Brigitte Umbach-Spahn and Karl Wüthrich, Attorneys-at-Law, Wenger Plattner, Seestrasse 39, Goldbach-Center, 8700 Küsnacht (please call the hotline on +41 43 222 38 50 to arrange an appointment).

Appeals against the provisional distribution list must be lodged with the Obergericht Zug, Beschwerdeabteilung als Aufsichtsbehörde über Schuldbetreibung und Konkurs, Kirchenstrasse 6, Postfach 760, 6301 Zug, within ten days of the list's publication, i.e. by 12 June 2023 (date of postmark of a Swiss post office). If no appeals are lodged, the fifth interim payment will be made as provided for in the provisional distribution list.

Küsnacht, 31 May 2023

Petroplus Marketing AG in debt restructuring liquidation

The Liquidators:
Brigitte Umbach-Spahn Karl Wüthrich
www.liquidator-petroplus.ch

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Crypto. Competition

Traditional finance firms set to challenge digital pioneers

Big names seek to attract fund managers with exchange and custody functions for tokens

NIKOU ASGARI — LONDON

Some of the finance industry's best-known names are building their own infrastructure to trade digital markets, betting that fund managers will prefer companies they already know and trust to the many opaque cryptocurrency exchanges that dominate the sector.

Standard Chartered, Nomura and Charles Schwab are among the traditional financial institutions that are creating or backing new, separate crypto companies including exchange and custody firms that can handle digital tokens such as bitcoin and ether.

They are betting that fund managers are still keen on trading crypto, even after prices crashed last year and a string of companies including exchange FTX and lenders Celsius and Genesis failed.

For asset managers, the collapses have underscored the risks of putting money with businesses that are largely unregulated and face questions over their transparency. Many are demanding assurances that their money is safe before they start trading crypto.

"The large, pedigreed, traditional institutional investors definitely prefer dealing with counterparties who they know have been in existence for years and have been regulated in the traditional sense," said Gautam Chhugani, senior analyst of global digital assets at Bernstein.

The price of popular coins bitcoin and ether have risen about 68 per cent and 56 per cent, respectively, this year, compared with an 8.8 per cent rise in the MSCI World stocks index.

"Lots of institutional players are testing different bits of activity to test the waters, build a bit of experience in the market but also for . . . making sure they have an option for further growth avenues," said Alexandre Birry, chief analytical officer of financial institutions at S&P Global Ratings.

The newcomers are breaking into a market dominated by companies such as Binance and Coinbase, which also have their own institutional customers.

But they are betting that their finance industry knowhow and reputations, unsullied by the wave of crypto scandals and enforcement actions from US regulators, will prove persuasive.

Broker Charles Schwab and market makers Citadel Securities and Virtu Financial are among firms backing EDX Markets, while British bank Standard Chartered has backed exchange and custody house Zodia Markets and Zodia Custody.

"They wanted to build an exchange they felt comfortable trading on," said Jamil Nazarali, head of EDX Markets and former Citadel Securities executive.

The infrastructure being built by large institutions is markedly different to the crypto industry's original structure. Wall Street executives are keen to separate business units such as trading from custody, as a way to reduce risk and potential conflicts of interest.

The collapse of Sam Bankman-Fried's exchange FTX and trading firm Alameda Research, which were closely entwined, has brought those concerns to the fore.

Custody, where assets are stored securely to prevent funds from hacks or theft, has emerged as the most straightforward way for traditional finance firms to grow their crypto presence.

"I don't want my custody to be run by the same person as my exchange," said Michael Safai, co-founder of trading firm Dexterity Capital, adding that the extent to which some companies do not separate such functions "isn't appealing, and it's even a bit unsettling".

BNY Mellon and Fidelity already have digital asset custody arms and US stock exchange Nasdaq is awaiting approval from regulators to launch its own.

A survey of 250 asset managers by consultancy EY-Parthenon found half would switch from a crypto native firm to a traditionally backed company that offered the same services. Ninety per cent said they would trust a traditional financial group with custodying their crypto tokens, according to the study.

S&P's Birry said crypto custody was often the first step because "it's safer and foundational. It's a low-margin activity, you have to do two or three tasks and you have to do it well."

If Wall Street-backed crypto companies do succeed in enticing institutional asset managers, that may pose a challenge to incumbent crypto exchanges such as Binance or Coinbase.

The Wall Street-backed firms are building their infrastructure along more traditional lines. Nazarali said EDX had purposely not built its venue on cloud-computing technology, as other crypto exchanges had done. He said the cloud helped established crypto exchanges scale "very, very fast", but was too slow and unreliable for professional traders.

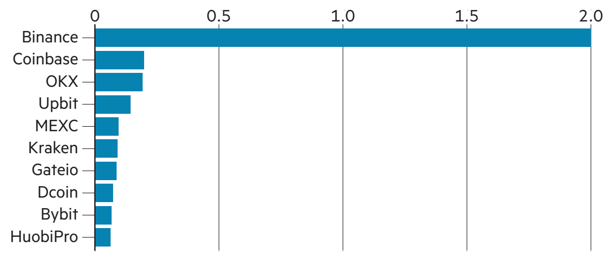
"Market makers hate that. That creates a lot of risk for them, they can't quote as tight prices," he added.

Some see two markets developing; a shallow retail-facing one with big discrepancies between buying and selling prices, and a deep institutional one, where prices are more competitive.

Usman Ahmad, chief executive of Zodia Markets, said that, as the crypto industry developed, it "may lead to a disparity of spreads between institutions and retail [and lead to] institutions paying a tighter spread in a more liquid market".

Crypto native exchanges dominate spot trading

Trading volume, year-to-date to May 21 2023 ($tn)



Sources: CCdata

The collapses of crypto lenders showed asset managers the risks of storing cash with largely unregulated businesses

'The large, pedigreed, traditional institutional investors definitely prefer dealing with [firms] who they know have been in existence for years'

FT

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Equities

ETFs make up record 31% of turnover in US stocks

STEVE JOHNSON

Exchange traded funds accounted for a record 30.7 per cent of US stock market turnover last year, a jump of more than a fifth from their 25.3 per cent share in 2021, raising questions about their seemingly unstoppable rise.

The data, revealed in the latest report from the Investment Company Institute, a US trade body, reignites concerns about their influence on the broader market and underlines their increasing use as shorter-term trading instruments for participants looking to rapidly change market exposure, analysts say.

Shelly Antoniewicz, senior director of industry and financial analysis at the ICI, attributed ETFs' higher share of turnover to "elevated market volatility".

"During periods of market turbulence, ETF secondary market trading [of ETF shares] volumes rise — both in absolute terms and as a share of total stock market trading — as investors, especially institutional investors, turn to ETFs to quickly and efficiently transfer and hedge risks," she said.

While agreeing that high market volatility will have driven ETF volumes, Rabih Moussawi, associate professor of finance at Villanova School of Business, said the jump in ETF trading could also be due to the introduction of daily option expirations on the S&P 500 index last year. This led to a "skyrocketing" of zero-day-to-expiration options volumes and the likelihood of a "ramping up" of ETF trading by options market makers, who typically use ETFs to hedge their options positions.

Valentin Haddad, co-author of a 2022 academic paper that argues the rise of passive investing is distorting price signals and pushing up the volatility of the US stock market, also thought the upsurge in ETF usage was evidence of the departure from their use simply as long-term portfolio building blocks.

Instead, he believed investors were increasingly trading on macroeconomic news — something "ETFs are particularly well suited for".

"If anything, it just confirms that the view that ETFs are simply an instrument for passive trading is not accurate; market participants use them very dynamically," he added.

In dollar terms, US ETF trading volumes surged 22.5 per cent year on year to a record $44.1tn, the ICI data shows.

The jump in ETFs' share of turnover comes after years in which this measure has plateaued at 25-27 per cent. This proportion held despite dramatic market growth, with the assets of US-listed ETFs surging from $992bn in 2010 to $7.2tn at the end of 2021, according to the ICI, before slipping to $6.5tn at the end of last year as markets fell.

ETFs have continued to account for about 30 per cent of trading volumes this year, Antoniewicz said.

'The view that ETFs are simply an instrument for passive trading is not accurate'

Asset management

Goldman's Asia private equity unit boss ceases trying to tap US-based investors

KAYE WIGGINS — HONG KONG

The head of Goldman Sachs's private equity business in Asia has said that she has stopped trying to raise money in the US because of geopolitical tensions between Washington and Beijing.

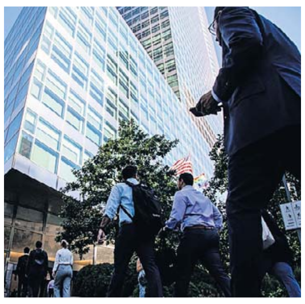
Stephanie Hui, who runs the Asia-Pacific private and growth equity arm of Goldman Sachs Asset Management, with investments that include deals in China, spoke at a private equity conference in Hong Kong yesterday.

"I've been asked to do observations of what we're seeing in the marketplace . . . [one is] the geopolitics," she said. "I used to go to the States to fundraise a lot. My friends know that my destination lately is the Middle East. I go to south-east Asia a lot, China a lot, and Korea and Japan because there's more interest in this part of the world, particularly in China, from the countries I just listed. I only go to the States to see my boss . . . not for fundraising."

The bank said her comments were a reference to wider industry trends.

Hui's experience is an indication of how North American investors, such as public pension funds, are increasingly wary about deploying money in China at a time when tensions are high and Washington is finalising an outbound investment-screening mechanism aimed at China. The Ontario Teachers' Pension Plan, a Canadian fund, said in January that it had paused direct investment in private assets in China.

Goldman's arm operates as a private equity firm within the bank. It manages global funds raised from investors that can be deployed worldwide, but it has generated outsized returns in Asia.



Tensions between China and the US have affected Goldman fundraising

Hui's comments are more an indication of investor sentiment than a sign that the bank will raise less money in the US, since Goldman's set-up means Hui's US colleagues can raise money from American institutions, which is then pooled with money raised in Europe and Asia and invested globally.

"I grew up doing China investing," Hui said at the Hong Kong Venture Capital and Private Equity Association meeting. When it came to which sectors to invest in, "data analytics and artificial intelligence is definitely where we're looking".

Other sectors of interest were healthcare, travel and China manufacturing, as well as value-for-money retailers, as "there's a bit of talk about people being more frugal about [their] spending".

GSAM's previous investments in China include Alibaba, education company iTutorGroup and Shanghai-based Zhenge Biotech, said the data provider PitchBook.

Hui also noted that Chinese investors made up a smaller proportion of the money in private equity funds globally, citing figures that showed China represented just 34 per cent of fundraising in Asia in 2022, from 83 per cent in 2017.

Financials

Hunt is on for bargains amid tentative signs of recovery at regional banks

NICHOLAS MEGAW AND BROOKE MASTERS — NEW YORK

Some investors are starting to sift for bargains among the regional lenders caught up in the market chaos that followed the collapse of Silicon Valley Bank, according to portfolio managers and traders.

KBW's Regional Banking index has fallen more than a quarter since the start of the year, with the collapse of SVB and smaller peer Signature Bank prompting a reckoning across the financial sector in the US and abroad.

But the index has shown tentative signs of stabilising, with two consecutive weeks of gains for the first time since the start of February. The KBW Regional Banking index has regained 11 per cent from its year-to-date nadir in early May.

The calm is drawing the attention of some investors, who have started rebuilding their positions in the sector.

Phil Stone, managing partner at Fourthstone, which specialises in investing in US financials, said his funds had been defensive for 18 months because of recession fears, but were now "high conviction buyers". He added that some of the prices were "the most attractive we've seen in years", comparing valuations to the aftermath of the 2008 financial crisis.

Yet many remain wary of diving back into the sector too early. "A lot of these banks are trading dirt cheap," said Remi Olu-Pitan, a multi-asset fund manager at Schroders. "But although they're cheap, they could get cheaper. The valuation signal is there but we don't have that catalyst [to buy] just yet. I think it will come towards the second half of the year."

George Patterson, chief investment officer at PGIM's quantitative investing arm, agreed that "there's probably some great opportunities in regional banking because I think everybody had panicked" in the aftermath of SVB's collapse.

But he stressed the need for patience. "We're never trying to call the bottom . . . I don't think we're quite yet [ready to be] increasing positions."

Patterson's view was typical of many investors, according to sector analysts.

Ebrahim Poonawala, head of North American banks research at Bank of America, said there was "a lot of pencil sharpening, probing and digging into individual companies" as fears of immediate contagion risk receded. But he added that the fundamental outlook for many regional banks remained weak, with challenges including a potential recession, an inverted yield curve which tended to weigh on profit margins and concerns about the health of the commercial property sector.

Stone said concerns about regional banks' exposure to commercial real estate were overblown, arguing that office loans represented a small fraction of the total for most lenders.

Greg Hertrich, US head of depositary strategies at Nomura, said regional banks had been working to reassure investors that they had responded to the concerns sparked by the earlier collapses. But he said many investors would wait for further evidence from second-quarter earnings reports in July.

'A lot of these banks are trading dirt cheap. But although they're cheap, they could get cheaper'

The day in the markets

What you need to know

- Tech sector and debt-ceiling deal hopes lift US stocks
- Turkish lira hit by Erdoğan victory
- China indices in bear territory

US stocks advanced yesterday, bolstered by a strong technology sector and hopes that lawmakers would pass the debt-ceiling bill before the June 5 deadline.

The tech-heavy Nasdaq Composite added 0.7 per cent, led by gains in computer stocks. Wall Street's benchmark S&P 500 rose 0.1 per cent, having closed at a nine-month high on Friday.

AI-related stocks extended their rally from the previous week, with Nvidia breaching $1tn in market capitalisation and its shares rising 6 per cent.

Nvidia became the first chipmaker to join the trillion-dollar club, having benefited from soaring demand for chips used in generative AI systems.

The Philadelphia Semiconductor index has added more than 40 per cent this year, driven by the AI industry.

Pressure on US Treasuries eased as traders predicted the debt-ceiling bill, agreed on Saturday, would pass Congress this week, ahead of the default deadline.

The yield on policy-sensitive two-year bills fell 0.09 percentage points to 4.5 per cent. The yield on the benchmark 10-year note was down 0.11 percentage points to 3.71 per cent. Yields fall as prices rise.

The yield on Treasury bills that mature next month — at about the date the government could run out of money — eased to 5.27 per cent, having last week hit its highest in more than 20 years.

The deal would raise the country's $31.4tn debt ceiling for two years until after the next presidential election in late 2024. The bipartisan bill needs to pass both chambers of Congress, with traders poised for the first vote in the House of Representatives today. The latest report from the Conference Board showed US consumer confidence declined in May as perceptions of the labour market and future business conditions deteriorated amid persistent inflation and concerns about a potential recession.

In Europe, the region-wide Stoxx 600 slid 0.9 per cent, the CAC 40 lost 1.3 per cent and the FTSE 100 fell 1.4 per cent.

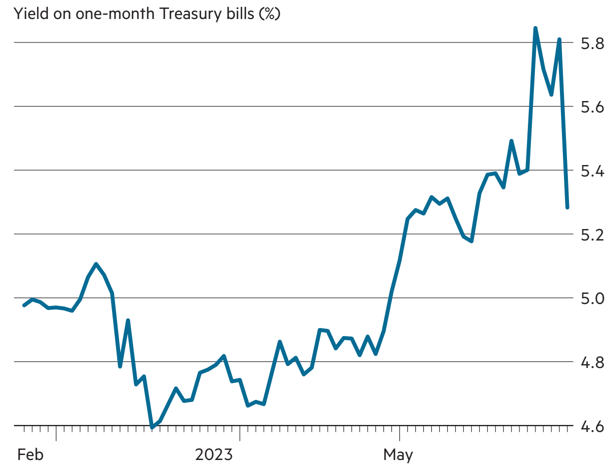
The Turkish lira weakened to TL20.4 against the US dollar, hitting a record low after President Recep Tayyip Erdoğan won the election over the weekend.

The Hang Seng China Enterprises index was down, pushing it 20 per cent lower from its peak in January. That put it in bear market territory, although it later rallied to close up 0.5 per cent.

China's benchmark CSI 300 index of Shanghai- and Shenzhen stocks was also down more than 10 per cent from its peak this year, matching the technical definition of a market correction, although it also rallied to close marginally up. **Daria Mosolova and Hudson Lockett**

Short-term yields drop on hopes of debt ceiling resolution

Yield on one-month Treasury bills (%)



Source: Refinitiv

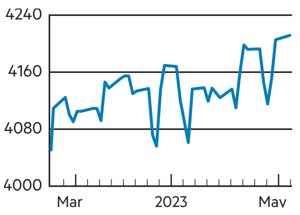
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4211.60	1809.14	31328.16	7522.07	3224.21	108768.09
% change on day	0.15	-1.00	0.30	-1.38	0.09	-1.42
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	103.976	1.073	139.805	1.241	7.089	5.058
% change on day	-0.221	0.187	-0.346	0.486	0.149	0.994
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	3.706	2.338	0.431	4.341	2.753	11.247
Basis point change on day	-9.830	-10.000	0.040	-12.100	-0.200	-2.500
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	430.83	73.81	69.59	1947.90	23.15	3654.70
% change on day	-0.07	-4.27	-4.62	-0.02	0.61	1.53

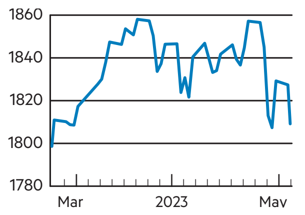
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

S&P 500 index



Eurofirst 300 index



FTSE 100 index

Biggest movers

%	US		Eurozone		UK	
Ups	Nvidia	5.79	Deutsche Post	2.01	Frasers	2.68
	Broadcom	5.20	Swatch	1.93	B&m Eur Value Retail S.a.	2.14
	Ford Motor	4.85	Terna	1.65	Hargreaves Lansdown	1.77
	Netflix	4.25	A.p. Moller - Maersk B	1.63	Jd Sports Fashion	1.62
	Tesla	3.96	Vopak	1.63	Whitbread	1.54
Downs	Comerica	-7.38	Credit Agricole	-9.70	Ocado	-3.71
	Eqt	-5.17	Oci	-7.00	Rolls-royce Holdings	-3.12
	Generac Holdings	-4.25	Societe Generale	-5.76	Shell	-3.00
	Mosaic (the)	-3.51	Casino Guichard	-5.16	Unilever	-2.97
	Apa	-3.26	Sanofi	-4.79	Johnson Matthey	-2.74

Prices taken at 17:00 GMT. Based on the constituents of the FTSE Eurofirst 300 Eurozone. All data provided by Morningstar unless otherwise noted.

Wall Street

Heading the S&P 500 index was chipmaker **Nvidia**, building on a rally that left its shares up almost 25 per cent last week. That rise was triggered by a bumper revenue forecast, which Nvidia said was driven by growth in artificial intelligence.

In the top half of the blue-chip benchmark was **Broadcom**, which touched an all-time high following reports that broker UBS has raised its price target for the chipmaker, also citing its AI-fuelled growth potential.

Enphase Energy, a solar power system provider, rallied on news it was expanding its partnership with wholesaler Natex to distribute its batteries and microinverters — placed on panels to convert electricity — across Europe.

Cardiac tech group **HeartBeam** surged on announcing a strategic agreement with South Korean conglomerate Samsung. This was an extension to an existing tie-up between Samsung and Livmor, a digital health company HeartBeam bought earlier this year for an undisclosed sum.

Gevo jumped after its board gave the go-ahead to buy back up to $25mn worth of shares. The renewable chemicals and biofuels company said it aimed to "opportunistically repurchase shares" — stock that was down more than 30 per cent this year. *Ray Douglas*

Europe

An upgrade helped buoy Germany's **Siltronic**, the silicon-wafer manufacturer, which had its rating lifted from "hold" to "buy" by Jefferies.

The broker said "a lot of negative news" had already been priced into the shares, which had been down about 25 per cent year to date before this month's sector-wide rally spurred by Nvidia's results.

Analysts acknowledged that "demand weakness" persisted, although there were signs of a bottoming of the cycle, with wafer manufacturers expecting a recovery towards the end of this year and the beginning of 2024.

Italian football club **Juventus** rose sharply following reports that it had a plea bargain accepted by football authorities.

The club was reportedly paying a €718,000 fine and would not face any further points reductions, having been docked 10 points earlier this season over a separate case.

This settlement centred on alleged "salary manoeuvres" from the 2019 to 2021 seasons. Juventus has denied wrongdoing.

The team, currently seventh in Serie A, could still play in a lucrative European tournament next season depending on the outcomes of Sunday's final matches of the season. *Ray Douglas*

London

Rallying to the top of the FTSE 250 index were the London-listed shares of **RHI Magnesita**, which confirmed it had received a bid for a 20 per cent stake in the refractory products supplier.

The proposal came from private equity firm Rhône Capital, which offered £28.50 per share, a 39 per cent premium to RHI's most recent closing price.

Jefferies, drawing on what it had seen with Rhône's holding at swimming pool group Fluidra, expected the investor to become "a supportive shareholder, with 'appropriate representation' on the board", later reducing its stake.

Oil and gas group **Hunting** joined RHI at the head of the mid-cap index after announcing it had won a contract, estimated to be worth up to $91mn, with India's Cairn Oil and Gas, Vedanta.

This news coincided with Hunting upgrading its 2023 outlook, forecasting core profit in the $92mn to $94mn range from a $88mn target stated in April.

Near the bottom of the FTSE 250 was footwear group **Dr Martens**, which was downgraded from "outperform" to "sector perform" by RBC Europe. The broker went on to point out that the classic boot brand's guidance "may prove too optimistic" given "nearer term challenges particularly for the US market".
Ray Douglas

Big Tech exposes the problem of index distortions

Rupak Ghose

Markets Insight

Mega market cap stocks are eating their indices, distorting their usefulness in some cases as market gauges for investors.

The most widely used index in the world is the S&P 500, which is supposed to be a broad barometer of the US stock market but has increasingly been driven by a small number of tech giants. This year, the S&P 500 is up by about 10 per cent but with much of its returns driven by Apple, Microsoft, Amazon, Alphabet, Nvidia, Meta and Tesla.

A similar trend can be seen in the Nasdaq 100. These seven stocks now account for about 29 per cent of the market capitalisation of the S&P 500 and 60 per cent of the Nasdaq 100. JPMorgan analysts last month said the US equity rally was driven by the narrowest leadership in a rising stock market since the 1990s.

As market tides come and go, there will always be periods when stocks or sectors dominate market indices. But the degree of imbalances now adds to the onus on investors, when choosing a passive investment vehicle, to check if it really provides diversification or exposure to the sector they are hoping for.

For example, the five largest exchange traded funds by assets under management include three S&P 500 trackers from BlackRock, Vanguard, and State Street, while the dominant ETF for the Nasdaq 100 is Invesco's QQQ. Such increasingly concentrated indices are clearly not reflective of the health of the overall US stock market.

In more focused or sector-specific indices, the issues are starker. The ETF sector is highly liquid and transparent. Most big indices still work well mechanically. But for all the calls for index providers to ensure objectivity and rigour, industry classifications are always going to be somewhat subjective. Including or excluding a small group of the largest stocks can skew these indices significantly.

Take the recent shift of payments processors including Visa and Mastercard out of the S&P's technology sector and into the financials sector. In many banking crises of the past, the Financial Select Sector SPDR Fund, or XLF ETF, has been a proxy way to gain or hedge exposure to the US banking sector as it tracked the S&P financials index.

During the recent banking crisis, the KBW US banks index was often referenced more publicly as a benchmark, but the XLF remains the largest and most liquid route to play the financial sector.

> Including or excluding a small group of the largest stocks can skew these indices significantly

Yet today, a little under 30 per cent of this index is composed of Apple shareholder Berkshire Hathaway, Visa and Mastercard. The inclusion of a lot of data vendors, exchanges and fintechs mean banks are now a smaller proportion of this sector index and even Citigroup is no longer a top 10 constituent.

And the Visa and Mastercard shift leaves behind an unbalanced S&P technology index. Following recent share prices moves, Apple and Microsoft now account for about 47 per cent of the market capitalisation of the Technology Select Sector SPDR Fund, or XLK, which tracks the S&P index. This means the benchmark is hitting concentration limits allowed by US regulation, illustrating the challenges of index composition.

Even apart from concentration issues, there are questions about how representative the S&P technology sector index is of Big Tech stocks. Several years ago, the likes of Meta — then Facebook — and Alphabet were shifted to the communications sector.

Despite the huge value in its web services and cloud computing arm, Amazon is considered a consumer discretionary stock by S&P. The increasing tendency of companies to be technology-enabled is blurring the lines between the sectors they could belong to.

One of the fastest-growing areas for indices has been thematic investing and, in particular, strategies focused on environmental, social and governance factors. Under the threat of regulatory scrutiny, index providers are tightening disclosures, inclusion criteria and ratings. Nevertheless, in an area where we are dealing with less than perfect information there will always be a huge number of value judgments and differences between index providers.

Such differences and index imbalances of course provide opportunities for active fund managers to prove the case for their role — to bet against a market benchmark, say, to wager that the dominance of the likes of Microsoft or Apple might not last. For passive investors, they should serve as a reminder that indices are still flawed, human-made constructs with sometimes arbitrary classifications. We still need to do our homework when choosing them.

Rupak Ghose is an adviser to fintechs and a former financials research analyst

MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

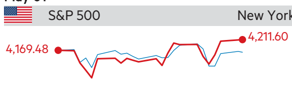
S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
0.15%	0.64%	-0.37%	-1.38%	-1.00%	0.30%	0.24%	-0.07%	0.187%	0.486%	-0.346%	-0.346%	-1.29%	-0.02%

Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

AMERICAS

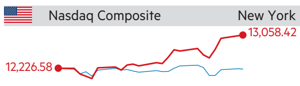
May 01 - - — Index — All World

S&P 500 — New York



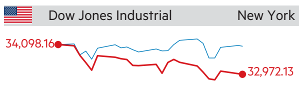
Day ↗0.15% Month ↗0.97% Year ↗1.25%

Nasdaq Composite — New York



Day ↗0.64% Month ↗6.77% Year ↗7.61%

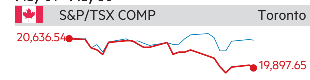
Dow Jones Industrial — New York



Day ↘-0.37% Month ↘-3.32% Year ↘-0.74%

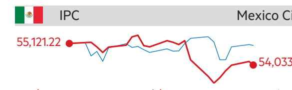
May 01 - May 30 — Index — All World

S&P/TSX COMP — Toronto



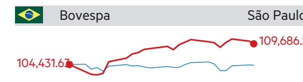
Day ↘-0.96% Month ↘-4.18% Year ↘-5.47%

IPC — Mexico City



Day ↘-1.46% Month ↘-3.17% Year ↗2.33%

Bovespa — São Paulo

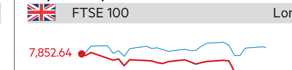


Day ↘-1.42% Month ↗4.14% Year ↘-2.05%

EUROPE

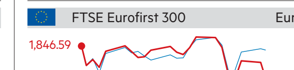
May 01 - May 30 — Index — All World

FTSE 100 — London



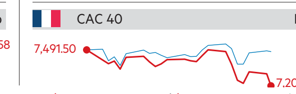
Day ↘-1.38% Month ↘-4.40% Year ↘-1.00%

FTSE Eurofirst 300 — Europe



Day ↘-1.00% Month ↘-2.03% Year ↗3.37%

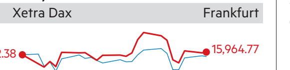
CAC 40 — Paris



Day ↘-1.29% Month ↘-3.76% Year ↗10.65%

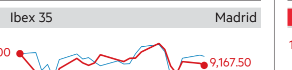
May 01 - May 30 — Index — All World

Xetra Dax — Frankfurt



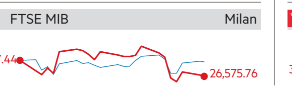
Day ↘-0.27% Month ↘-1.94% Year NaN%

Ibex 35 — Madrid



Day ↘-0.14% Month ↘-0.80% Year ↗2.62%

FTSE MIB — Milan

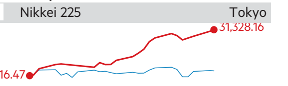


Day ↘-0.16% Month ↘-1.85% Year ↗7.87%

ASIA

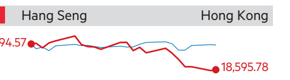
May 01 - May 30 — Index — All World

Nikkei 225 — Tokyo



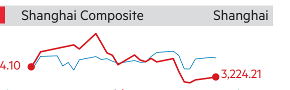
Day ↗0.30% Month ↗8.49% Year ↗16.89%

Hang Seng — Hong Kong



Day ↗0.24% Month ↘-6.44% Year ↘-10.07%

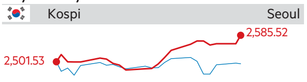
Shanghai Composite — Shanghai



Day ↗0.09% Month ↘-2.98% Year ↗3.00%

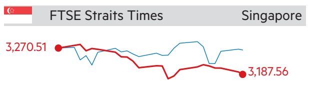
May 01 - May 30 — Index — All World

Kospi — Seoul



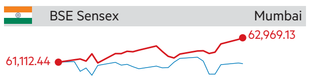
Day ↗1.04% Month ↗3.36% Year ↘-1.99%

FTSE Straits Times — Singapore



Day ↘-0.24% Month ↘-2.29% Year ↘-1.08%

BSE Sensex — Mumbai



Day ↗0.20% Month ↗3.11% Year ↗14.81%

Country	Index	Latest	Previous
Argentina	Merval	341307.28	346369.01
Australia	All Ordinaries	7387.30	7395.10
	S&P/ASX 200	7209.30	7217.40
	S&P/ASX 200 Res	5902.00	5901.80
Austria	ATX	3060.76	3081.49
Belgium	BEL 20	3582.90	3641.37
	BEL Mid	9867.07	9923.35
Brazil	IBovespa	108768.09	110333.40
Canada	S&P/TSX 60	1189.74	1201.48
	S&P/TSX Comp	19776.62	19967.95
	S&P/TSX Div Met & Min	1622.77	1605.54
Chile	S&P/CLX IGPA Gen	28697.82	28619.53
China	FTSE A200	10093.29	10100.55
	FTSE B35	9000.71	8988.96
	Shanghai A	3379.86	3376.96
	Shanghai B	279.82	281.52
	Shanghai Comp	3224.21	3221.45
	Shenzhen A	2104.89	2094.56
	Shenzhen B	1125.95	1131.36
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29

Country	Index	Latest	Previous
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1298.89	1313.02
Denmark	OMXC Copenahgen 20	2055.69	2079.86
Egypt	EGX 30	17211.84	17131.45
Estonia	OMX Tallinn	1883.31	1877.00
Finland	OMX Helsinki General	10103.48	10133.66
France	CAC 40	7209.75	7303.81
	SBF 120	5496.01	5564.79
Germany	M-DAX	26795.41	26923.47
	TecDAX	3218.71	3226.05
	XETRA Dax	15908.91	15952.73
Greece	Athens Gen	1225.07	1236.20
	FTSE/ASE 20	2968.49	3004.40
Hong Kong	Hang Seng	18595.78	18551.11
	HS China Enterprise	6283.71	6251.04
	HSCC Red Chip	3728.96	3739.32
Hungary	Bux	47515.68	47573.35
India	BSE Sensex	62969.13	62846.38
	Nifty 500	15799.45	15772.35
Indonesia	Jakarta Comp	6636.42	6681.10
Ireland	ISEQ Overall	8482.82	8587.08
Israel	Tel Aviv 125	1777.33	1764.22

Country	Index	Latest	Previous
Italy	FTSE Italia All-Share	28654.48	28706.96
	FTSE Italia Mid Cap	42015.19	42185.58
	FTSE MIB	26575.76	26617.35
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	31328.16	31233.54
	S&P Topix 150	1874.54	1874.06
	Topix	2159.22	2160.65
Jordan	Amman SE	2464.98	2464.98
Kenya	NSE 20	1488.15	1480.87
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1148.04	1145.29
Lithuania	OMX Vilnius	1001.65	1001.65
Luxembourg	LuxX	1449.73	1465.30
Malaysia	FTSE Bursa KLCI	1396.91	1404.93
Mexico	IPC	53419.72	54212.67
Morocco	MASI	10943.66	10813.03
Netherlands	AEX	756.67	764.10
	AEX All Share	1024.51	1034.18
New Zealand	NZX 50	11878.71	11935.65
Nigeria	SE All Share	52973.88	52821.60
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	41671.66	41671.66

Country	Index	Latest	Previous
Philippines	Manila Comp	6510.67	6593.16
Poland	Wig	63797.80	64683.98
Portugal	PSI 20	5793.68	5870.83
	PSI General	4459.58	4509.06
Romania	BET Index	12285.10	12297.28
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	11135.67	11138.05
Singapore	FTSE Straits Times	3187.56	3195.22
Slovakia	SAX	299.80	299.80
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	75939.46	76613.35
	FTSE/JSE Res 20	67061.97	67919.90
	FTSE/JSE Top 40	70921.14	71444.16
South Korea	Kospi	2585.52	2558.81
	Kospi 200	341.50	337.11
Spain	IBEX 35	9167.50	9180.10
Sri Lanka	CSE All Share	8532.60	8575.11
Sweden	OMX Stockholm 30	2255.00	2258.64
	OMX Stockholm AS	836.60	838.06
Switzerland	SMI Index	11282.45	11434.24

Country	Index	Latest	Previous
Taiwan	Weighted Pr	16622.74	16636.30
Thailand	Bangkok SET	1536.35	1542.49
Turkey	BIST 100	4947.48	4768.56
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2753.90	2770.20
	FTSE 100	7522.07	7627.20
	FTSE 4Good UK	6883.47	6970.99
	FTSE All Share	4104.75	4152.54
	FTSE techMARK 100	6761.34	6791.11
USA	DJ Composite	10921.99	10938.55
	DJ Industrial	32972.13	33093.34
	DJ Transport	13921.88	13903.42
	DJ Utilities	895.83	893.80
	Nasdaq 100	14419.93	14298.41
	Nasdaq Cmp	13058.42	12975.69
	NYSE Comp	14989.93	15078.69
	S&P 500	4211.60	4205.45
	Wilshire 5000	41490.14	41437.26
Venezuela	IBC	32882.82	32883.88
Vietnam	VNI	1078.05	1074.98

Country	Index	Latest	Previous
Cross-Border	DJ Global Titans ($)	489.29	487.26
	Euro Stoxx 50 (Eur)	4289.71	4320.01
	Euronext 100 ID	1338.14	1353.39
	FTSE 4Good Global ($)	10743.68	10751.10
	FTSE All World ($)	430.83	431.12
	FTSE E300	1809.14	1827.39
	FTSE Eurotop 100	3598.41	3640.04
	FTSE Global 100 ($)	2894.74	2888.43
	FTSE Gold Min ($)	1831.69	1830.50
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	2984.14	2982.98
	FTSE World ($)	786.23	786.82
	FTSEurofirst 100 (Eur)	4850.38	4894.19
	FTSEurofirst 80 (Eur)	5809.21	5848.10
	MSCI ACWI Fr ($)	653.48	653.05
	MSCI All World ($)	2830.43	2827.93
	MSCI Europe (Eur)	1865.35	1868.59
	MSCI Pacific ($)	2732.01	2707.68
	S&P Euro (Eur)	1890.49	1903.35
	S&P Europe 350 (Eur)	1853.60	1871.83
	S&P Global 1200 ($)	3127.72	3129.46
	Stoxx 50 (Eur)	3972.72	4023.24

(c) Closed. (u) Unavaliable. † Correction. ♥ Subject to official recalculation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the ft.com research data archive.

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Nvidia	202.2	412.02	22.56
Tesla	147.0	200.82	7.65
Advanced Micro Devices	77.3	126.81	-0.22
Broadcom	54.9	854.96	42.23
Apple	45.5	177.32	1.89
Microsoft	45.5	332.46	-0.44
Amazon.com	40.7	121.36	1.25
Meta Platforms	32.4	265.94	3.90
Netflix	25.3	395.00	16.12
Alphabet	21.5	123.92	-0.70

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Nvidia	412.02	22.56	5.79
Broadcom	854.96	42.23	5.20
Ford Motor	12.68	0.59	4.85
Netflix	395.00	16.12	4.25
Tesla	200.82	7.65	3.96
Downs			
Comerica	36.11	-2.88	-7.38
Eqt	34.23	-1.87	-5.17
Generac Holdings	110.52	-4.91	-4.25
Mosaic (the)	32.70	-1.19	-3.51
Apa	32.32	-1.09	-3.26

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Shell	251.5	2282.00	-70.50
Hsbc Holdings	162.2	600.10	-10.70
Bp	144.2	466.60	-10.30
Lloyds Banking	142.7	45.22	-0.29
Astrazeneca	141.1	11498.00	-286.00
Rio Tinto	133.7	4839.50	-85.50
Unilever	126.3	4045.00	-124.00
Diageo	100.7	3402.50	-95.50
Vodafone	83.6	77.75	-1.72
Glencore	78.7	416.80	-5.80

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Rhi Magnesita N.v.	2534.00	484.00	23.61
Hunting	228.50	27.00	13.40
Bytes Technology	493.60	31.60	6.84
Dechra Pharmaceuticals	3352.00	212.00	6.75
Pets At Home	376.40	18.60	5.20
Downs			
Asos	356.00	-50.00	-12.32
Synthomer	91.80	-6.65	-6.75
Dr. Martens	153.10	-8.20	-5.08
Ferrexpo	94.25	-4.40	-4.46
Investec	406.10	-16.50	-3.90

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Nestle N	647.4	111.72	-3.84
Roche Gs	443.7	296.89	-2.89
Asml Holding	344.0	682.70	6.50
Novartis N	332.9	89.74	-1.95
Unicredit	226.1	18.57	-0.09
Novo Nordisk B A/s	179.2	149.84	-2.90
Intesa Sanpaolo	170.6	2.21	-0.02
Totalenergies	156.8	53.94	-1.79
Lvmh	148.7	836.70	-3.30
Eni	148.5	12.91	-0.31

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Deutsche Post Ag Na O.n.	42.68	0.84	2.01
A.p. M__ller - M__rsk A A/s	1573.58	29.54	1.91
A.p. M__ller - M__rsk B A/s	1592.38	25.51	1.63
Atlas Copco Ab Ser. B	11.85	0.16	1.36
Infineon Tech.ag Na O.n.	35.18	0.41	1.19
Downs			
Credit Agricole	10.77	-1.16	-9.71
Sanofi	94.21	-4.74	-4.79
Nestle N	111.72	-3.84	-3.32
Pernod Ricard	204.00	-6.90	-3.27
Totalenergies	53.94	-1.79	-3.21

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Softbank .	1708.6	5510.00	-32.00
Advantest	1264.7	18090.00	420.00
Tokyo Electron	652.7	19710.00	-10.00
Mitsubishi Ufj Fin,.	632.8	933.90	5.90
Toyota Motor	366.3	1940.00	11.50
Fast Retailing Co.,	361.0	33310.00	260.00
Japan Post Holdings Co Ltd	340.2	989.80	-9.10
Mitsubishi	333.5	5943.00	35.00
Keyence	317.1	69180.00	530.00
Nintendo Co.,	290.4	5990.00	81.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Kobe Steel,	1144.00	62.00	5.73
Citizen Holdings Co.,	861.00	34.00	4.11
Fujikura	1133.00	43.00	3.94
Tse Growth Market Core Index	939.43	26.77	2.93
M3,.	3162.00	85.00	2.76
Downs			
Sumco	2039.00	-60.00	-2.86
Teijin	1337.00	-38.00	-2.76
Denki Kagaku Kogyo Kabushiki Kaisha	2550.00	-68.00	-2.60
Mitsubishi Chemical Holdings	804.70	-21.10	-2.56
Tokai Carbon Co.,	1192.00	-30.00	-2.45

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	May 30 price(p)	%Chg week	%Chg ytd
Winners			
Centrica	119.90	3.4	24.8
Scottish Mortgage Investment Trust	673.20	2.2	-6.5
Airtel Africa	119.40	1.9	6.9
3i	1959.00	1.8	45.5
Bunzl	3158.00	1.7	14.3
Admiral	2336.00	1.6	9.3
B&m Eur Value Retail S.a.	471.90	1.3	14.7
Pershing Square Holdings Ltd	2760.00	1.1	-5.3
F&c Investment Trust	894.00	1.0	-1.1
Halma	2403.00	1.0	21.9
Rs	799.80	0.8	-
Hiscox Ltd	1182.00	0.7	8.5
Losers			
Johnson Matthey	1741.50	-8.8	-
Vodafone	77.75	-7.5	-7.7
Dcc	4666.00	-7.1	14.6
Imperial Brands	1698.50	-6.7	-
Entain	1374.50	-6.6	4.0
British Land	343.40	-6.1	-
Taylor Wimpey	115.60	-6.1	13.7
Rolls-royce Holdings	144.40	-5.7	54.9
Coca-cola Hbc Ag	2384.00	-5.7	20.8
Shell	2282.00	-5.6	0.5
Persimmon	1215.50	-5.5	0.6
Berkeley Holdings (the)	3983.00	-5.3	5.6

FTSE 250	May 30 price(p)	%Chg week	%Chg ytd
Winners			
Rhi Magnesita N.v.	2534.00	18.4	13.8
Marks And Spencer	181.10	10.7	46.9
Bytes Technology	493.60	9.7	25.4
Hunting	228.50	9.6	-
Molten Ventures	293.80	9.4	-
Allianz Technology Trust	261.00	6.5	24.3
Hill & Smith	1474.00	5.9	25.8
Dechra Pharmaceuticals	3352.00	5.7	27.0
Polar Capital Technology Trust	2225.00	5.7	29.1
Renishaw	3904.00	4.8	5.5
Workspace	504.00	4.7	13.4
Balanced Commercial Property Trust	81.80	4.6	-7.6
Losers			
Asos	356.00	-21.7	-
Synthomer	91.80	-16.0	-
Diversified Energy	83.85	-13.8	-
Darktrace	265.60	-11.3	2.4
Trainline	254.60	-11.0	-7.3
National Express	105.70	-10.4	-
Integrafin Holdings	258.60	-9.9	-
Future	752.50	-9.8	-
Jupiter Fund Management	106.70	-9.6	-
4imprint	4485.00	-8.6	5.3
Telecom Plus	1540.00	-8.3	-
Investec	406.10	-8.1	-

FTSE SmallCap	May 30 price(p)	%Chg week	%Chg ytd
Winners			
Ct Property Trust	78.40	23.1	14.1
Sabre Insurance	146.60	18.4	37.8
Chrysalis Investments	69.10	17.1	-9.2
Manchester & London Investment Trust	457.00	11.7	36.9
Superdry	81.40	6.4	-36.4
Funding Circle Holdings	52.20	4.6	-5.1
Greencore	79.05	4.2	23.2
Schroders Capital Global Innovation Trust	14.48	3.8	-8.1
Capita	32.88	3.4	35.5
Dwf	63.80	2.9	-
Residential Secure ome	71.40	2.9	-15.0
Abrdn Property ome Trust	50.20	2.9	-
Losers			
Kin And Carta	63.60	-16.4	-
Pod Point Holdings	68.70	-11.0	12.6
Headlam	238.00	-10.2	-21.2
Enquest	14.94	-10.1	-
888 Holdings	69.10	-9.1	-
Helical	258.50	-8.2	-
Ncc	91.00	-7.9	-54.2
Renewi	538.00	-7.9	-9.7
Pensionbee	66.80	-7.7	23.6
Hostelworld	118.00	-7.5	2.4
Taylor Maritime Investments	83.00	-6.7	-7.8
Lsl Property Services	256.00	-6.6	2.4

Industry Sectors	May 30 price(p)	%Chg week	%Chg ytd
Winners			
Nonlife Insurance	3297.89	1.2	-1.3
Electronic & Electrical Equip.	10169.42	0.2	17.7
General Retailers	3869.91	-0.2	15.2
Industrial Transportation	3564.62	-0.2	2.6
Automobiles & Parts	1833.53	-0.5	23.2
General Financial	13468.41	-0.5	16.4
Mining	10969.73	-0.6	-1.4
Gas Water & Multiutilities index	6176.72	-0.7	9.2
Support Services	10431.54	-0.8	5.2
Equity Investment Instruments	10984.27	-0.8	-2.4
Software & Computer Services	1975.90	-0.8	11.8
Industrial Engineering	14192.37	-1.3	2.8
Losers			
Household Goods	11029.90	-5.5	11.2
Mobile Telecommunications	2156.98	-5.3	1.1
Tobacco	28427.91	-5.3	-
Oil & Gas Producers	7927.55	-5.1	-2.3
Pharmaceuticals & Biotech.	21149.37	-4.0	0.7
Real Estate Investment Trusts	2176.20	-4.0	-2.5
Real Estate & Investment Servic	2161.85	-3.9	2.3
Beverages	26391.88	-3.8	-5.1
Life Insurance	6769.19	-3.7	-3.9
Banks	3553.69	-3.6	7.9
Chemicals	10583.13	-3.5	-9.7
Food & Drug Retailers	4191.27	-3.4	1.7

Based on last week's performance. †Price at suspension.

CURRENCIES

May 30	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Argentina	Argentine Peso	238.8295	0.5785	256.2054	1.0613	296.3881	2.0766
Australia	Australian Dollar	1.5346	0.0056	1.6462	0.0089	1.9044	0.0157
Bahrain	Bahrainin Dinar	0.3770	-	0.4044	0.0007	0.4679	0.0021
Bolivia	Bolivian Boliviano	6.9100	-	7.4127	0.0128	8.5753	0.0394
Brazil	Brazilian Real	5.0583	0.0498	5.4263	0.0627	6.2774	0.0904
Canada	Canadian Dollar	1.3607	0.0014	1.4596	0.0040	1.6886	0.0095
Chile	Chilean Peso	803.1500	4.3500	861.5825	6.1439	996.7114	9.9537
China	Chinese Yuan	7.0888	0.0106	7.6045	0.0244	8.7972	0.0535
Colombia	Colombian Peso	4419.5150	-6.9850	4741.0554	0.6945	5484.6332	16.5756
Costa Rica	Costa Rican Colon	544.0050	-0.1400	583.5837	0.8563	675.1117	2.9294
Czech Republic	Czech Koruna	22.0998	-0.0163	23.7076	0.0235	27.4259	0.1060
Denmark	Danish Krone	6.9429	-0.0131	7.4480	-0.0012	8.6161	0.0234
Egypt	Egyptian Pound	30.8962	0.0241	33.1440	0.0830	38.3423	0.2060
Hong Kong	Hong Kong Dollar	7.8335	0.0049	8.4034	0.0197	9.7214	0.0507
Hungary	Hungarian Forint	344.9546	-2.1366	370.0515	-1.6501	428.0896	-0.6722
India	Indian Rupee	82.7150	0.0831	88.7329	0.2420	102.6495	0.5744

May 30	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Indonesia	Indonesian Rupiah	14985.0000	15.0000	16075.2321	43.7848	18596.4514	103.9936
Israel	Israeli Shekel	3.7074	-0.0222	3.9771	-0.0170	4.6008	-0.0063
Japan	Japanese Yen	139.8050	-0.4850	149.9764	-0.2608	173.4984	0.1982
..One Month		139.8043	-0.4863	149.9759	-0.2617	173.4976	0.1967
..Three Month		139.8030	-0.4890	149.9750	-0.2636	173.4962	0.1937
..One Year		139.7973	-0.5005	149.9707	-0.2722	173.4976	0.1878
Kenya	Kenyan Shilling	138.4500	-	148.5228	0.2561	171.8168	0.7896
Kuwait	Kuwaiti Dinar	0.3075	-0.0002	0.3298	0.0004	0.3815	0.0015
Malaysia	Malaysian Ringgit	4.6015	-0.0035	4.9363	0.0048	5.7105	0.0219
Mexico	Mexican Peso	17.6638	0.1247	18.9489	0.1663	21.9208	0.2548
New Zealand	New Zealand Dollar	1.6539	0.0027	1.7742	0.0060	2.0524	0.0128
Nigeria	Nigerian Naira	464.7500	-	498.5625	0.8596	576.7561	2.6504
Norway	Norwegian Krone	11.1832	0.0484	11.9968	0.0725	13.8784	0.1236
Pakistan	Pakistani Rupee	285.3750	0.0500	306.1372	0.5814	354.1512	1.6892
Peru	Peruvian Nuevo Sol	3.6794	0.0059	3.9471	0.0131	4.5661	0.0282
Philippines	Philippine Peso	56.3200	0.1850	60.4175	0.3023	69.8933	0.5497

May 30	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Poland	Polish Zloty	4.2296	0.0088	4.5373	0.0172	5.2489	0.0350
Romania	Romanian Leu	4.6297	-0.0018	4.9665	0.0067	5.7455	0.0242
Russia	Russian Ruble	81.2000	0.7000	87.1076	0.8998	100.7694	1.3278
Saudi Arabia	Saudi Riyal	3.7501	-	4.0229	0.0069	4.6539	0.0214
Singapore	Singapore Dollar	1.3515	-0.0021	1.4498	0.0003	1.6772	0.0051
South Africa	South African Rand	19.7088	0.0713	21.1426	0.1128	24.4586	0.2004
South Korea	South Korean Won	1325.0000	0.5500	1421.3995	3.0398	1644.3287	8.2357
Sweden	Swedish Krona	10.8679	0.0312	11.6585	0.0535	13.4870	0.1005
Switzerland	Swiss Franc	0.9039	-0.0002	0.9697	0.0015	1.1218	0.0049
Taiwan	New Taiwan Dollar	30.6435	0.0160	32.8729	0.0738	38.0287	0.1945
Thailand	Thai Baht	34.7750	0.0062	37.3050	0.0710	43.1559	0.2060
Tunisia	Tunisian Dinar	3.0982	-0.0077	3.3236	-0.0025	3.8449	0.0082
Turkey	Turkish Lira	20.3975	0.3025	21.8815	0.3617	25.3134	0.4900
United Arab Emirates	UAE Dirham	3.6729	0.0006	3.9401	0.0074	4.5581	0.0216
United Kingdom	Pound Sterling	0.8058	-0.0037	0.8644	-0.0025	-	-
..One Month		0.8059	-0.0037	0.8643	-0.0025	-	-

May 30	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
..Three Month		0.8060	-0.0037	0.8641	-0.0025	-	-
..One Year		0.8058	-0.0037	0.8628	-0.0025	-	-
United States	United States Dollar	-	-	1.0728	0.0018	1.2410	0.0057
..One Month		-	-	1.0725	-0.1626	1.2411	0.0057
..Three Month		-	-	1.0722	-0.1626	1.2412	0.0057
..One Year		-	-	1.0708	-0.1626	1.2410	0.0057
Vietnam	Vietnamese Dong	23474.5000	2.0000	25182.3834	45.5132	29131.9268	136.3342
European Union	Euro	0.9322	-0.0016	-	-	1.1568	0.0033
..One Month		0.9320	-0.0016	-	-	1.1567	0.0033
..Three Month		0.9316	-0.0016	-	-	1.1565	0.0033
..One Year		0.9302	-0.0017	-	-	1.1552	0.0033

Rates are derived from WM Reuters Spot Rates and MorningStar (latest rates at time of production). Some values are rounded. Currency redenominated by 1000. The exchange rates printed in this table are also available at www.FT.com/marketsdata

FTSE ACTUARIES SHARE INDICES

UK SERIES
www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg May 30	Day's chge%	Euro Index	£ Strlg May 26	£ Strlg May 25	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7522.07	-1.38	6782.07	7627.20	7570.87	7600.06	3.76	1.86	14.29	145.58	7875.78
FTSE 250 (250)	18807.37	0.07	16957.14	18794.09	18840.75	20546.89	3.36	0.58	51.23	261.51	15880.12
FTSE 250 ex Inv Co (169)	19376.24	0.20	17470.05	19337.90	19415.70	21296.45	3.49	0.79	36.09	278.83	16701.42
FTSE 350 (350)	4145.81	-1.18	3737.96	4195.14	4169.94	4237.75	3.71	1.70	15.91	77.06	8607.88
FTSE 350 ex Investment Trusts (266)	4093.27	-1.23	3690.59	4144.26	4118.73	4171.32	3.76	1.79	14.90	77.68	4393.89
FTSE 350 Higher Yield (135)	3479.87	-1.45	3137.53	3531.21	3515.88	3667.94	5.17	1.73	11.19	86.77	8201.79
FTSE 350 Lower Yield (215)	4411.17	-0.90	3977.21	4451.26	4417.18	4386.50	2.26	1.62	27.25	54.34	5500.48
FTSE SmallCap (226)	6161.75	-0.08	5555.57	6166.56	6177.27	6712.47	3.64	-0.59	-46.41	89.16	10527.83
FTSE SmallCap ex Inv Co (119)	4987.88	0.05	4497.18	4985.18	5003.69	5663.25	3.77	1.00	26.44	75.33	8864.79
FTSE All-Share (576)	4104.75	-1.15	3700.94	4152.54	4128.33	4202.96	3.70	1.64	16.42	75.90	8605.60
FTSE All-Share ex Inv Co (385)	4018.68	-1.21	3623.33	4068.08	4043.52	4101.83	3.76	1.78	14.98	76.07	4379.69
FTSE All-Share ex Multinationals (515)	1079.76	0.05	807.73	1079.24	1080.32	1183.32	4.10	1.12	21.81	18.76	2342.43
FTSE Fledgling (78)	11613.15	-0.12	10470.68	11627.30	11623.06	12795.17	3.21	-1.40	-22.21	145.33	25521.48
FTSE Fledgling ex Inv Co (30)	15811.12	-0.32	14255.66	15861.53	15817.88	17907.99	3.46	6.21	4.65	234.78	33788.09
FTSE All-Small (304)	4300.15	-0.08	3877.11	4303.61	4310.55	4686.65	3.62	-0.63	-43.63	61.74	9422.65
FTSE All-Small ex Inv Co (149)	3759.89	0.04	3390.00	3758.43	3771.39	4268.04	3.75	1.20	22.21	56.72	8462.71
FTSE AIM All-Share (718)	786.76	-0.62	709.36	791.71	792.54	974.21	1.81	1.72	32.02	5.22	931.04
FTSE All-Share Technology (18)	2064.22	0.23	1763.61	2059.51	2047.73	1864.09	1.85	1.55	34.81	15.28	3014.10
FTSE All-Share Telecommunications (6)	1385.72	-0.87	1183.92	1397.95	1419.05	2058.80	7.60	1.52	8.65	1.03	2130.34
FTSE All-Share Health Care (13)	14767.98	-2.01	12617.37	15071.07	14934.15	14816.07	2.42	1.14	36.31	216.02	13876.78
FTSE All-Share Financials (254)	4745.15	-0.39	4054.14	4763.80	4738.65	4673.16	3.97	1.56	16.14	123.16	5420.17
FTSE All-Share Real Estate (54)	800.39	0.53	715.37	796.18	800.01	1104.18	4.48	-0.64	-35.08	14.41	859.87
FTSE All-Share Consumer Discretionary (82)	5062.00	-0.31	4324.84	5077.80	5059.71	4796.97	2.25	1.31	33.80	54.94	5429.28
FTSE All-Share Consumer Staples (22)	18409.51	-2.43	15728.60	18867.83	18801.02	19012.06	4.24	1.64	14.38	322.38	17228.52
FTSE All-Share Industrials (84)	6775.44	-0.52	5788.76	6810.78	6760.71	6267.97	2.29	1.13	38.59	83.74	7947.13
FTSE All-Share Basic Materials (21)	7414.11	-1.55	6334.42	7530.51	7370.89	9478.73	6.87	3.43	4.24	248.04	10417.04
FTSE All-Share Energy (14)	8195.47	-2.67	7001.99	8420.07	8380.41	8338.27	4.16	1.66	14.51	176.44	10170.75
FTSE All-Share Utilities (8)	9194.69	1.04	7855.71	9100.00	9099.72	9226.51	4.26	0.74	31.86	42.27	14105.71
FTSE All-Share Software and Computer Services (16)	2235.75	0.22	1910.17	2230.94	2218.07	2005.39	1.83	1.57	34.68	16.07	3453.13
FTSE All-Share Technology Hardware and Equipment (2)	4024.50	1.18	3438.43	3977.54	3969.31	5136.80	3.25	0.65	47.38	89.37	5328.80
FTSE All-Share Telecommunications Equipment (1)	401.25	-0.22	342.82	402.15	402.59	519.95	3.50	2.14	13.33	9.21	587.21
FTSE All-Share Telecommunications Service Providers (5)	2153.71	-0.90	1840.08	2173.21	2207.04	3211.00	7.74	1.51	8.55	0.00	3016.48
FTSE All-Share Health Care Providers (2)	11168.21	-0.99	9541.82	11279.69	11279.69	9109.27	0.49	2.90	71.05	18.58	10382.86
FTSE All-Share Medical Equipment and Services (2)	5785.51	-0.79	4942.99	5831.60	5823.82	6262.28	2.60	1.16	33.02	92.56	5682.92
FTSE All-Share Pharmaceuticals and Biotechnology (9)	21091.15	-2.08	18019.73	21539.38	21333.96	21109.24	2.42	1.13	36.45	310.15	17846.70
FTSE All-Share Banks (12)	3505.98	-1.39	2995.42	3555.51	3543.91	3271.15	4.59	2.67	8.17	136.68	3222.17
FTSE All-Share Finance and Credit Services (8)	11607.73	0.05	9917.34	11601.57	11443.59	10557.85	1.81	1.87	29.53	148.60	15814.87
FTSE All-Share Investment Banking and Brokerage Services (31)	9207.36	1.03	7866.53	9113.64	9005.28	9063.21	4.86	2.37	8.70	178.39	13275.05
FTSE All-Share Closed End Investments (191)	11321.63	-0.17	9672.91	11340.90	11311.25	12146.82	2.88	-0.99	-35.04	133.74	7184.21
FTSE All-Share Life Insurance (6)	6886.92	0.47	5884.00	6855.00	6804.51	7051.27	4.67	0.57	37.32	215.96	8695.53
FTSE All-Share Nonlife Insurance (6)	3730.02	1.07	3186.83	3690.37	3682.21	3502.18	4.50	1.24	17.96	56.37	8069.54
FTSE All-Share Real Estate Investment and Services (10)	2073.84	-0.60	1771.83	2086.38	2086.21	2596.69	2.40	1.66	25.15	27.21	6287.97
FTSE All-Share Real Estate Investment Trusts (44)	1980.09	0.74	1691.74	1965.52	1976.80	2780.25	4.86	-0.85	-24.31	37.49	3068.67
FTSE All-Share Automobiles and Parts (3)	1842.93	-0.64	1574.55	1854.73	1887.80	2244.52	0.24	-25.17	-16.38	2.74	1920.12
FTSE All-Share Consumer Services (1)	3636.37	-0.45	3106.82	3652.86	3639.67	2970.38	1.43	1.37	51.00	36.27	4666.14
FTSE All-Share Household Goods and Home Construction (11)	9191.53	-0.02	7853.00	9193.74	9266.16	11285.40	7.47	1.95	6.85	287.42	8530.31
FTSE All-Share Leisure Goods (2)	25586.07	-0.12	21860.07	25617.67	25234.57	19076.23	3.51	1.14	24.90	666.68	29360.87
FTSE All-Share Personal Goods (4)	26713.85	-0.55	22823.62	26861.05	26707.00	24908.61	2.12	3.04	15.55	21.42	21027.54
FTSE All-Share Media (10)	9826.02	-0.01	8395.09	9827.41	9724.16	9230.94	2.38	2.01	20.92	128.39	6999.14
FTSE All-Share Retailers (22)	2108.29	0.83	1801.27	2091.04	2100.61	2139.46	2.64	3.18	11.91	17.72	2776.01
FTSE All-Share Travel and Leisure (29)	7386.25	-1.12	6310.62	7469.98	7440.10	6728.98	0.72	-6.72	-20.63	34.10	7676.92
FTSE All-Share Beverages (5)	26504.42	-2.60	22644.68	27210.67	27030.64	28045.01	2.33	2.31	18.59	269.35	21466.58
FTSE All-Share Food Producers (8)	6603.94	-1.01	5642.24	6671.42	6655.40	6502.63	2.30	2.44	17.86	2.98	6435.64
FTSE All-Share Tobacco (2)	28427.96	-2.59	24288.10	29184.36	29075.97	36055.94	8.47	1.58	7.49	752.81	27681.30
FTSE All-Share Construction and Materials (15)	8433.64	-1.08	7205.65	8525.70	8478.81	7627.15	3.00	0.53	63.12	176.01	10508.82
FTSE All-Share Aerospace and Defense (8)	6525.97	-1.19	5575.62	6604.75	6598.67	4962.57	1.89	0.16	330.64	74.85	8048.97
FTSE All-Share Electronic and Electrical Equipment (11)	11950.11	0.22	10209.86	11923.41	11806.46	11049.13	1.51	2.32	28.59	72.60	11910.92
FTSE All-Share General Industrials (7)	5106.03	-1.01	4362.46	5157.97	5107.57	5070.37	3.43	1.32	22.06	93.04	6881.00
FTSE All-Share Industrial Engineering (6)	15667.67	-0.22	13386.05	15702.64	15538.07	15265.80	2.00	2.38	21.00	210.47	21313.32
FTSE All-Share Industrial Support Services (29)	10036.92	-0.12	8575.28	10049.43	9972.59	9884.41	2.06	1.57	30.94	107.81	11686.53
FTSE All-Share Industrial Transportation (8)	5354.76	0.27	4574.97	5340.38	5260.09	5008.39	2.15	0.87	53.27	16.99	5632.74
FTSE All-Share Industrial Materials (1)	18253.41	-1.62	592.46	18553.46	18803.51	15202.84	1.86	1.34	40.08	231.04	23348.32
FTSE All-Share Industrial Metals and Mining (8)	6561.91	-1.70	5606.33	6675.16	6515.99	8530.69	7.45	3.54	3.79	242.91	10413.19
FTSE All-Share Precious Metals and Mining (5)	10320.15	0.58	8817.26	10260.41	10104.40	10164.91	3.63	1.61	17.13	131.63	7372.10
FTSE All-Share Chemicals (7)	11751.87	-1.03	10040.49	11873.86	11880.58	14181.76	3.02	1.81	18.31	109.16	11905.67
FTSE All-Share Oil. Gas and Coal (13)	7955.85	-2.67	6797.27	8173.83	8135.32	8092.70	4.16	1.66	14.51	171.30	10239.57
FTSE Sector Indices											
Non Financials (322)	**4963.05**	**-1.38**	**4474.79**	**5032.49**	**5002.32**	**5139.89**	**3.62**	**1.67**	**16.51**	**80.61**	**9135.34**

Hourly movements	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High/day	Low/day
FTSE 100	7607.73	7622.85	7613.25	7600.41	7586.62	7589.71	7581.07	7560.34	7538.30	7627.57	7516.59
FTSE 250	18818.63	18859.86	18907.48	18856.70	18862.10	18921.86	18899.48	18873.58	18850.02	18924.79	18801.79
FTSE SmallCap	6177.10	6176.34	6186.24	6190.38	6184.95	6184.11	6180.08	6170.24	6166.10	6190.38	6158.88
FTSE All-Share	4144.53	4152.68	4149.88	4142.53	4136.42	4139.50	4134.82	4124.39	4113.53	4154.77	4102.72

Time of FTSE 100 Day's high:07:49:30 Day's Low15:22:00 FTSE 100 2010/11 High: 8014.31(20/02/2023) Low: 7335.40(17/03/2023)
Time of FTSE All-Share Day's high:07:50:00 Day's Low15:22:00 FTSE 100 2010/11 High: 4377.36(16/02/2023) Low: 4007.66(17/03/2023)

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FT 30 INDEX

	May 30	May 29	May 26	May 25	May 24	Yr Ago	High	Low
FT 30	2753.90	2770.20	2766.90	2783.60	2830.10	0.00	2895.30	2454.10
FT 30 Div Yield	-	-	-	-	-	0.00	3.93	2.74
P/E Ratio net	-	-	-	-	-	0.00	19.44	14.26

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
2770.2	2777.8	2777.2	2771.8	2767.6	2775.4	2772.1	2767.7	2761.6	2779.7	2752.7

FT30 constituents and recent additions/deletions can be found at www.ft.com/ft30

FT WILSHIRE 5000 INDEX SERIES

	May 26		May 26
FT Wilshire 5000	42306.01	FT Wilshire Mid Cap	5321.19
FT Wilshire 2500	5427.32	FT Wilshire Small Cap	4816.18
FT Wilshire Mega Cap	5548.76	FT Wilshire Micro Cap	4456.92
FT Wilshire Large Cap	5512.49		

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FTSE GLOBAL EQUITY INDEX SERIES

May 30 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	9493	729.69	0.1	-0.4	7.3	1183.75	8.4	2.2
FTSE Global All Cap	9493	729.69	0.1	-0.4	7.3	1183.75	8.4	2.2
FTSE Global Large Cap	1936	663.35	0.1	0.2	9.1	1109.55	10.3	2.2
FTSE Global Mid Cap	2227	901.92	0.1	-2.4	2.1	1375.90	3.1	2.3
FTSE Global Small Cap	5330	924.23	0.1	-1.4	2.5	1346.74	3.4	2.2
FTSE All-World	4163	431.12	0.1	-0.3	7.8	740.78	8.9	2.2
FTSE World	2657	786.82	0.1	0.0	8.7	1814.73	9.9	2.2
FTSE Global All Cap ex UNITED KINGDOM In	9213	770.52	0.1	-0.2	7.4	1225.58	8.5	2.2
FTSE Global All Cap ex USA	7703	512.97	0.2	-2.1	4.9	928.46	6.6	3.2
FTSE Global All Cap ex JAPAN	8071	760.39	0.0	-0.5	7.3	1244.27	8.4	2.2
FTSE Global All Cap ex Eurozone	8851	768.86	0.1	0.0	6.9	1218.95	7.9	2.2
FTSE Developed	2147	722.35	0.1	-0.2	8.7	1179.97	9.9	2.1
FTSE Developed All Cap	5774	748.12	0.1	-0.3	8.1	1203.84	9.2	2.1
FTSE Developed Large Cap	815	685.76	0.1	0.4	10.3	1140.41	11.5	2.1
FTSE Developed Europe Large Cap	205	414.60	-0.1	-3.8	9.5	841.40	12.1	3.1
FTSE Developed Europe Mid Cap	346	607.39	-0.1	-5.3	7.2	1062.95	9.0	3.1
FTSE Dev Europe Small Cap	736	826.18	-0.1	-5.5	3.3	1393.44	5.3	3.2
FTSE North America Large Cap	234	915.82	0.0	1.5	11.5	1388.04	12.3	1.6
FTSE North America Mid Cap	413	1102.79	0.0	-2.0	1.0	1546.45	1.6	1.8
FTSE North America Small Cap	1319	1086.09	0.1	-0.8	2.3	1458.33	2.9	1.7
FTSE North America	647	590.47	0.0	0.8	9.4	915.04	10.2	1.7
FTSE Developed ex North America	1500	278.92	0.2	-2.3	7.2	545.09	9.2	3.1
FTSE Japan Large Cap	175	403.22	0.9	2.9	8.7	601.11	10.0	2.4
FTSE Japan Mid Cap	339	550.69	0.6	-0.3	4.1	780.51	5.4	2.5
FTSE Global wi JAPAN Small Cap	908	605.45	0.7	-1.5	1.8	892.59	3.4	2.7
FTSE Japan	514	165.01	0.9	2.2	7.8	275.51	9.1	2.4
FTSE Asia Pacific Large Cap ex Japan	1123	673.22	0.1	-1.2	0.2	1241.45	1.1	3.2
FTSE Asia Pacific Mid Cap ex Japan	838	978.86	0.6	-0.7	1.7	1741.80	2.5	3.2
FTSE Asia Pacific Small Cap ex Japan	2093	550.55	0.5	-0.5	3.1	949.44	3.8	2.9
FTSE Asia Pacific Ex Japan	1961	537.42	0.2	-1.2	0.4	1053.33	1.3	3.2
FTSE Emerging All Cap	3719	707.31	0.0	-0.9	0.4	1247.94	1.4	3.6
FTSE Emerging Large Cap	1121	649.47	-0.1	-1.1	-0.1	1152.12	0.8	3.6
FTSE Emerging Mid Cap	895	1035.71	0.4	-1.6	1.3	1844.19	2.7	3.7
FTSE Emerging Small Cap	1703	781.23	0.5	1.0	3.7	1316.83	4.6	3.3
FTSE Emerging Europe	147	126.23	1.8	0.7	-1.8	269.74	0.1	3.1
FTSE Latin America All Cap	252	759.15	0.1	3.7	8.8	1555.73	11.7	9.0
FTSE Middle East and Africa All Cap	330	680.98	-0.3	-5.3	-6.0	1275.67	-4.0	3.7
FTSE Global wi UNITED KINGDOM All Cap In	280	329.95	0.2	-4.8	5.0	688.44	6.9	3.7
FTSE Global wi USA All Cap	1790	1009.23	0.0	0.8	8.9	1473.97	9.7	1.6
FTSE Europe All Cap	1469	465.27	-0.1	-4.2	8.5	905.23	10.8	3.1
FTSE Eurozone All Cap	642	460.57	-0.2	-4.3	11.2	889.58	13.7	3.1
FTSE EDHEC-Risk Efficient All-World	4163	467.93	0.1	-3.1	1.0	747.30	2.2	2.7
FTSE EDHEC-Risk Efficient Developed Europe	551	333.59	-0.1	-5.3	6.4	598.97	8.4	3.2
Oil & Gas	133	381.33	0.2	-6.1	-6.7	799.45	-4.9	4.9
Oil & Gas Producers	88	383.94	0.2	-6.3	-5.7	827.79	-3.8	5.2

May 30 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	25	250.14	0.3	-7.5	-10.0	473.73	-8.4	4.9
Basic Materials	404	582.97	0.3	-5.3	-2.4	1094.62	-0.8	4.3
Chemicals	201	793.62	0.2	-4.3	1.8	1427.31	3.2	3.3
Forestry & Paper	19	232.84	-0.1	-0.1	-7.6	483.95	-5.3	4.3
Industrial Metals & Mining	104	485.90	0.3	-5.7	-1.7	949.41	0.0	4.7
Mining	80	893.15	0.5	-7.2	-8.6	1781.82	-6.6	5.8
Industrials	811	511.39	0.2	-1.2	4.9	825.73	5.9	2.1
Construction & Materials	163	607.27	0.2	-1.9	9.0	1035.96	10.3	2.2
Aerospace & Defense	36	908.46	0.1	-4.2	0.4	1430.33	1.2	1.6
General Industrials	79	257.55	0.2	-0.1	7.9	462.49	9.5	2.4
Electronic & Electrical Equipment	158	645.32	0.2	1.7	7.6	934.14	8.3	1.5
Industrial Engineering	159	1018.46	0.0	-2.4	3.6	1641.55	4.8	2.1
Industrial Transportation	129	919.73	0.3	-2.3	2.0	1522.77	3.4	3.6
Support Services	87	526.61	0.4	-0.2	4.2	790.46	5.0	1.6
Consumer Goods	562	573.64	0.0	-2.9	6.7	978.87	8.0	2.4
Automobiles & Parts	132	524.05	0.0	4.9	20.2	863.30	22.3	2.2
Beverages	71	780.87	-0.1	-4.6	0.8	1340.98	1.5	2.3
Food Producers	137	738.78	0.1	-4.0	2.5	1294.53	4.0	2.5
Household Goods & Home Construction	61	552.13	-0.1	-5.7	2.8	943.61	4.1	2.6
Leisure Goods	54	258.30	0.5	1.8	12.4	368.10	13.2	1.2
Personal Goods	94	978.33	-0.2	-7.9	5.8	1521.12	6.6	1.8
Tobacco	13	919.63	0.1	-7.6	-7.8	2690.28	-6.3	6.8
Health Care	337	712.58	0.1	-3.7	-2.2	1147.76	-1.3	1.8
Health Care Equipment & Services	131	1345.78	0.1	-4.7	-2.4	1659.55	-2.0	1.1
Pharmaceuticals & Biotechnology	206	484.97	0.1	-3.1	-2.0	842.84	-0.8	2.3
Consumer Services	424	558.46	-0.1	-1.0	8.8	802.69	9.4	1.2
Food & Drug Retailers	69	296.63	0.1	-4.9	-5.6	477.76	-4.5	2.5
General Retailers	139	978.25	-0.3	1.6	9.8	1344.20	10.3	1.0
Media	75	321.54	0.0	-4.8	11.0	465.25	11.6	1.3
Travel & Leisure	141	493.09	0.0	-3.1	11.4	724.76	12.0	1.2
Telecommunication	83	127.85	0.5	-6.4	-0.7	307.69	1.2	4.4
Fixed Line Telecommuniations	29	99.97	0.0	-7.7	-0.7	277.23	1.3	5.3
Mobile Telecommunications	54	150.98	0.8	-5.7	-0.7	312.50	1.1	3.9
Utilities	201	309.89	0.1	-5.5	-3.8	738.41	-2.2	3.5
Electricity	145	348.27	0.1	-5.1	-4.7	815.82	-3.3	3.3
Gas Water & Multiutilities	56	311.17	0.0	-6.5	-1.5	770.58	0.4	4.0
Financials	853	254.30	0.2	-3.3	-2.0	498.19	-0.4	3.4
Banks	271	190.73	0.3	-2.2	-3.8	419.29	-1.5	4.5
Nonlife Insurance	72	365.86	0.3	-4.0	0.0	624.51	2.1	3.0
Life Insurance	51	212.50	0.2	-6.4	-6.7	417.57	-5.1	4.2
Financial Services	213	432.32	0.0	-2.5	1.9	662.96	2.7	1.8
Technology	355	597.24	0.0	9.8	35.0	783.42	35.6	0.9
Software & Computer Services	180	894.87	-0.1	8.1	32.0	1086.51	32.5	0.6
Technology Hardware & Equipment	175	533.74	0.1	11.6	38.3	754.53	39.0	1.2
Alternative Energy	20	158.68	-0.4	2.3	-13.3	227.77	-13.3	0.3
Real Estate Investment & Services	139	233.17	0.0	-6.0	-7.1	460.90	-5.9	3.4
Real Estate Investment Trusts	107	417.46	0.2	-5.6	-4.1	996.12	-2.8	4.3
FTSE Global Large Cap	1936	663.35	0.1	0.2	9.1	1109.55	10.3	2.2

The FTSE Global Equity Series, launched in 2003, contains the FTSE Global Small Cap Indices and broader FTSE Global All Cap Indices (large/mid/small cap) as well as the enhanced FTSE All-World index Series (large/mid cap) - please see https://research.ftserussell.com/Products/indices/Home/indexfiltergeis?indexName=GEISAC&currency=USD&rtn=CAP&segment=global-developed--emerging. The trade names Fundamental Index® and RAFI® are registered trademarks and the patented and patent-pending proprietary intellectual property of Research Affiliates, LLC (US Patent Nos. 7,620,577; 7,747,502; 7,778,905; 7,792,719; Patent Pending Publ. Nos. US-2006-0149645-A1, US-2007-0055598-A1, US-2008-0288416-A1, US-2010- 0063942-A1, WO 2005/076812, WO 2007/078399 A2, WO 2008/118372, EPN 1733352, and HK1099110). "EDHEC™" is a trade mark of EDHEC Business School As of January 2nd 2006, FTSE is basing its sector indices on the Industrial Classification Benchmark - please see www.ftse.com/icb. For constituent changes and other information about FTSE, please see www.ftse.com. © FTSE International Limited. 2013. All Rights reserved. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence.

FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Automobiles & Parts	23.17	Software & Comp Serv	7.87	FTSE SmallCap Index	-1.25
Aerospace & Defense	21.31	Industrial Eng	7.16	Industrial Metals &	-2.15
Fixed Line Telecomms	20.69	Media	6.33	Equity Invest Instr	-2.22
Travel & Leisure	19.15	Electricity	5.31	Oil & Gas Producers	-2.40
Electronic & Elec Eq	17.87	Support Services	4.68	Oil & Gas	-2.43
Construct & Material	15.95	Financials	3.44	Real Est Invest & Tr	-2.72
Consumer Services	12.81	Health Care Eq & Srv	3.32	Personal Goods	-2.91
Food Producers	12.46	Technology	3.02	Life Insurance	-3.98
Financial Services	12.33	Real Est Invest & Se	1.87	Consumer Goods	-4.83
General Retailers	11.81	Telecommunications	1.04	Beverages	-5.19
Leisure Goods	10.93	FTSE 100 Index	0.94	Oil Equipment & Serv	-6.57
Food & Drug Retailer	10.17	Health Care	0.75	Mobile Telecomms	-7.15
Household Goods & Ho	9.84	FTSE All{HY-}Share Index	0.73	Chemicals	-9.15
Industrials	9.55	Pharmace & Biotech	0.59	Industrial Transport	-10.71
Gas Water & Multi	9.03	Beverages	31.66	Tobacco	-20.25
Utilities	8.03	NON FINANCIALS Index	-0.22	Basic Materials	-20.59
Banks	8.01	FTSE 250 Index	-0.24	Mining	-21.78
		Nonlife Insurance	-1.00	Tech Hardware & Eq	-22.69

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	1959	21.00	Jd Sports Fashion PLC	153.45	2.45
Abrdn PLC	204.70	2.90	Johnson Matthey PLC	1741.5	-49.00
Admiral Group PLC	2336	17.00	Kingfisher PLC	234.00	2.80
Airtel Africa PLC	119.40	0.50	Land Securities Group PLC	605.40	6.40
Anglo American PLC	2265	-53.50	Legal & General Group PLC	230.30	2.20
Antofagasta PLC	1363	-26.50	Lloyds Banking Group PLC	45.22	-0.29
Ashtead Group PLC	4938	17.00	London Stock Exchange Group PLC	8480	-4.00
Associated British Foods PLC	1830.5	-30.50	M&G PLC	198.30	-0.05
Astrazeneca PLC	11498	-286.00	Melrose Industries PLC	477.80	2.80
Auto Trader Group PLC	621.40	-5.00	Mondi PLC	1276.5	-6.00
Aviva PLC	405.10	3.80	National Grid PLC	1100	10.50
B&M European Value Retail S.A.	471.90	9.90	Natwest Group PLC	265.30	-2.20
Bae Systems PLC	942.40	-8.00	Next PLC	6380	-20.00
Barclays PLC	155.80	-1.52	Ocado Group PLC	391.90	-15.10
Barratt Developments PLC	473.00	-0.80	Pearson PLC	807.00	6.80
Beazley PLC	612.50	3.50	Pershing Square Holdings LTD	2760	-40.00
Berkeley Group Holdings (The) PLC	3983	8.00	Persimmon PLC	1215.5	-10.50
BP PLC	466.60	-10.30	Phoenix Group Holdings PLC	562.00	6.00
British American Tobacco PLC	2597.5	-72.50	Prudential PLC	1125	-
British Land Company PLC	343.40	-2.30	Reckitt Benckiser Group PLC	6290	-126.00
Bt Group PLC	145.90	1.85	Relx PLC	2485	-2.00
Bunzl PLC	3158	-36.00	Rentokil Initial PLC	633.20	0.40
Burberry Group PLC	2208	-7.00	Rightmove PLC	524.80	-4.40
Centrica PLC	119.90	1.50	Rio Tinto PLC	4839.5	-85.50
Coca-Cola Hbc AG	2384	-38.00	Rolls-Royce Holdings PLC	144.40	-4.65
Compass Group PLC	2206	-10.00	Rs Group PLC	799.80	-3.40
Convatec Group PLC	206.00	-1.20	Sage Group PLC	856.80	-0.60
Crh PLC	3873	-55.00	Sainsbury (J) PLC	271.50	-3.50
Croda International PLC	6108	-130.00	Schroders PLC	460.10	3.30
Dcc PLC	4666	-44.00	Scottish Mortgage Investment Trust PLC	673.20	6.80
Diageo PLC	3402.5	-95.50	Segro PLC	798.00	10.80
Endeavour Mining PLC	2034	24.00	Severn Trent PLC	2757	31.00
Entain PLC	1374.5	-27.50	Shell PLC	2282	-70.50
Experian PLC	2824	-4.00	Smith & Nephew PLC	1215	-10.50
F&C Investment Trust PLC	894.00	-1.00	Smith (Ds) PLC	309.00	-3.80
Flutter Entertainment PLC	15770	-315.00	Smiths Group PLC	1629	-13.00
Frasers Group PLC	690.00	18.00	Smurfit Kappa Group PLC	2920	-46.00
Fresnillo PLC	648.60	-7.40	Spirax-Sarco Engineering PLC	11070	-25.00
Glaxosmithkline PLC	1371	-21.20	Sse PLC	1858.5	25.00
Glencore PLC	416.80	-5.80	St. James's Place PLC	1128	15.50
Haleon PLC	321.80	-8.20	Standard Chartered PLC	643.20	-6.20
Halma PLC	2403	8.00	Taylor Wimpey PLC	115.60	-0.05
Hargreaves Lansdown PLC	814.60	14.20	Tesco PLC	262.20	-1.60
Hiscox LTD	1182	12.00	Unilever PLC	4045	-124.00
HSBC Holdings PLC	600.10	-10.70	Unite Group PLC	893.50	7.50
Imperial Brands PLC	1698.5	-37.00	United Utilities Group PLC	1010.5	6.00
Informa PLC	703.80	-1.80	Vodafone Group PLC	77.75	-1.72
Intercontinental Hotels Group PLC	5314	-38.00	Weir Group PLC	1726	-7.50
International Consolidated Airlines Group S.A.	157.00	0.40	Whitbread PLC	3307	50.00
Intertek Group PLC	4195	-58.00	Wpp PLC	877.60	4.60

UK STOCK MARKET TRADING DATA

	May 30	May 26	May 25	May 24	May 23	Yr Ago
Order Book Turnover (m)	367.53	33.60	33.60	33.60	83.15	92.68
Order Book Bargains	571538.00	529747.00	529747.00	529747.00	538706.00	661663.00
Order Book Shares Traded (m)	3044.00	4177.00	4177.00	4177.00	2688.00	2682.00
Total Equity Turnover (£m)	8823.42	6501.10	6501.10	6501.10	8085.45	7314.24
Total Mkt Bargains	764677.00	705667.00	705667.00	705667.00	707537.00	839488.00
Total Shares Traded (m)	7798.00	9741.00	9741.00	9741.00	8413.00	7752.00

† Excluding intra-market and overseas turnover. *UK only total at 6pm. ‡ UK plus intra-market turnover. (u) Unavaliable. (c) Market closed.

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UK RIGHTS OFFERS

Issue price	Amount paid up	Latest renun. date	High	Low	Stock	closing Price p	+or-

There are currently no rights offers by any companies listed on the LSE.

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
Edinburgh Investment Trust (The)	Pre			**43.024**	141.581	**25.000**	81.880	**0.00000**	6.40000	-	**6.400**	12.400
Hollywood Bowl Group	Int	**110.244**	100.173	**26.711**	33.437	**12.210**	15.820	**0.00000**	3.00000	-	**8.530**	3.000
Kistos Holdings	Pre	**411.512**	-	**254.125**	-	**0.310**	-	**0.00000**	-	-	**0.000**	-
Mining Minerals & Metals	Pre	**0.000**	0.000	**0.159L**	0.173L	**0.500L**	0.540L	**0.00000**	0.00000	-	**0.000**	0.000
Oxford BioDynamics	Int	**0.220**	0.085	**4.752L**	3.251L	**3.200L**	2.900L	**0.00000**	0.00000	-	**0.000**	0.000
Reabold Resources	Pre	**0.560**	1.160	**0.045L**	2.675L	**0.001L**	0.034L	**0.00000**	0.00000	-	**0.000**	0.000
Rockhopper Exploration	Pre	**0.652**	0.839	**3.218L**	7.910L	**0.068**	0.017L	**0.00000**	0.00000	-	**0.000**	0.000
SpaceandPeople	Pre	**5.529**	4.020	**1.625L**	0.075	**88.400L**	9.400	**0.00000**	0.00000	-	**0.000**	0.000
Symphony Environmental Technologies	Pre	**6.154**	9.161	**3.007L**	1.533L	**1.650L**	0.810L	**0.00000**	0.00000	-	**0.000**	0.000

Figures in £m. Earnings shown basic. Figures in light text are for corresponding period year earlier.
For more information on dividend payments visit www.ft.com/marketsdata

UK RECENT EQUITY ISSUES

Issue date	Issue price(p)	Sector	Stock code	Stock	Close price(p)	+/-	High	Low	Mkt Cap (£m)
05/25	5.00		ONE	Oneiro Energy PLC	6.75	0.75	7.25	5.98	300.5
05/17	10.00		ADMR	Admiral Acquisition UK Ltd	9.61	-0.21	10.10	9.70	518.7
05/10	8.50	AIM	GMET	Golden Metal Resources PLC	7.75	0.00	8.80	7.30	652.5
05/03	100.00		AWEM	Ashoka WhiteOak Emerging Markets Trust plc	106.75	-1.00	110.91	98.50	0.0

§Placing price. *Intoduction. ‡When issued. Annual report/prospectus available at www.ft.com/ir
For a full explanation of all the other symbols please refer to London Share Service notes.

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Australia (A$)							
ANZ Bank	23.41	-0.33	26.08	20.78	6.59	9.60	45816.63
BHP Group	43.49	0.13	50.09	35.83	9.66	9.99	143566.32
CmwBkAu	99.18	-0.39	111.38	86.98	3.61	18.24	108935.89
CSL	308.24	0.13	314.21	254.30	1.00	43.15	96890.66
NatAusBk	26.52	-0.05	32.83	25.43	3.46	13.81	54243.17
Telstra	4.39	0.03	4.40	3.62	2.33	34.92	33054.21
Wesfarmers	49.30	0.25	52.79	40.03	3.69	24.78	36430.94
Westpac Bank	21.11	-0.05	24.50	18.80	4.30	15.02	48271.92
Woolworths	38.26	0.05	39.88	31.67	2.89	42.66	30384.75
Belgium (€)							
AnBshInBv	51.28	-1.67	62.01	45.56	1.01	26.33	95564.63
KBC Grp	60.18	-0.82	72.46	45.53	5.55	10.07	26931.77
Brazil (R$)							
Ambev	14.48	-0.28	16.88	12.60	3.91	21.78	45097.24
Bradesco	13.37	-0.29	17.71	11.15	6.23	6.16	14088.95
Cielo	4.76	-0.04	6.22	3.66	3.07	16.04	2556.6
ItauHldFin	22.52	-0.23	26.04	18.86	3.45	8.87	22074.75
Petrobras	29.53	-0.32	42.08	23.61	16.31	4.19	43448.53
Vale	64.02	-1.81	94.48	61.90	20.36	2.85	57447.63
Canada (C$)							
Bausch Hlth	11.16	-0.07	13.81	5.10	-	-3.39	2968.03
BCE	61.91	0.19	69.44	55.66	5.58	20.98	41500.82
BkMontrl	114.13	-0.94	138.85	111.88	3.91	8.89	59822.07
BkNvaS	66.66	-0.64	86.22	63.19	5.49	8.44	58700.11
Brookfield	58.88	11.29	63.88	41.28	1.09	19.91	69948.82
CanadPcR	104.75	-0.17	112.27	86.42	0.72	25.39	71677.85
CanImp	57.20	-0.40	71.10	53.58	10.36	4.01	38580.17
CanNatRs	74.56	-1.59	87.92	58.75	2.64	11.69	60083.43
CanNatRy	155.65	-0.39	175.39	137.26	1.56	22.89	75878.72
Enbridge	48.53	-0.51	59.69	48.48	6.79	17.13	72213.69
GtWesLif	38.80	-0.78	39.88	27.99	4.91	11.04	26553.63
ImpOil	62.85	-0.98	79.83	52.67	1.62	18.30	26982.69
Manulife	25.61	-0.05	27.50	20.81	4.51	7.33	34743.06
Nutrien	73.77	-3.30	132.75	73.35	3.11	10.72	26896.29
RylBkC	122.74	-0.75	140.18	116.75	3.58	11.03	125450.61
SHOP	80.28	-1.20	87.53	33.00	-	2.81	70639.91
Suncor En	38.65	-0.69	53.62	36.39	2.68	14.14	37269.74
ThmReut	169.81	0.86	180.93	121.67	1.19	11.84	58777.69
TntoDom	78.32	-0.80	97.13	76.40	4.12	9.93	105887.46
TrnCan	53.50	-0.72	74.44	50.70	6.42	29.14	40478.25
China (HK$)							
AgricBkCh	3.00	-0.04	3.28	2.20	7.25	3.85	11772.05
Bk China	3.12	-0.02	3.45	2.51	7.28	3.78	33305.92
BkofComm	5.11	-0.03	5.65	3.83	6.98	4.12	22839.29
BOE Tech	0.66	0.02	0.85	0.53	-	10.40	16.76
Ch Coms Cons	4.67	0.11	5.52	3.09	4.45	3.78	2634.12
Ch Evrbrght	2.42	-0.03	2.78	2.03	10.10	3.20	3916.84
Ch Rail Cons	6.17	0.12	7.46	3.75	4.33	3.20	1635.37
Ch Rail Gp	5.30	0.18	6.30	3.41	3.96	4.17	2846.64
ChConstBk	5.08	-0.04	5.85	4.10	7.46	3.61	155910.63
China Vanke	10.48	0.10	19.90	9.87	13.86	4.61	2951.96
ChinaCitic	4.17	-0.08	4.74	2.92	6.87	3.78	7922.22
ChinaLife	13.48	-0.06	15.84	8.53	5.17	5.76	12804.85
ChinaMBank	36.65	0.25	53.00	25.40	3.98	6.60	21479.08
ChinaMob	64.35	0.35	70.20	46.80	5.11	9.70	168082.47
ChinaPcIns	20.15	-1.25	26.50	12.10	6.65	6.41	7138.88
ChMinsheng	3.13	-0.05	3.52	2.19	8.02	3.95	3324.54
ChMrchSecs	13.90	-0.03	15.98	12.12	3.31	11.78	14553.44
Chna Utd Coms	4.91	0.10	6.45	3.30	2.40	23.39	21448.36
ChShenEgy	25.90	-0.25	28.70	20.50	8.07	7.67	11167
ChShpbldng	4.69	0.05	5.32	3.37	-	-331.14	14610.86
ChStConEng	5.96	0.16	7.35	4.68	3.79	4.39	34740.94
ChUncHK	5.82	-0.01	6.58	3.27	2.76	12.52	22733.18
CNNC Intl	7.13	0.04	7.33	5.78	1.84	17.70	18979.7
CSR	4.87	0.24	5.26	2.37	4.34	13.07	2717.45
Daqin	7.69	-0.06	8.21	5.95	6.57	11.06	16127.98
GuosenSec	9.19	0.03	10.55	8.43	2.64	10.03	11443.65
HaitongSecs	5.16	0.03	6.01	3.77	5.69	5.47	2245.92
Hngzh HikVDT	35.16	1.16	48.84	26.80	2.40	18.35	45179.21
Hunng Pwr	5.12	-0.07	5.28	2.62	3.94	-5.61	3072.17
IM Baotou Stl	1.81	-0.02	2.71	1.75	-	29.27	8088.14
In&CmBkCh	4.23	-0.02	4.73	3.37	7.33	3.79	46867.92
IndstrlBk	16.69	-0.06	21.00	14.91	4.90	4.34	48911.55
Kweichow	1668.29	-20.71	2077	1333	1.22	35.69	295637.82
Midea	0.38	-0.01	0.49	0.32	-	-4.03	14.60
New Ch Life Ins	20.80	0.05	25.00	12.04	7.52	3.86	2745.82
PetroChina	5.35	0.01	5.62	2.95	4.56	10.54	14409.7
PingAnIns	50.65	0.15	63.10	31.30	5.05	7.86	48154.69
PngAnBnk	11.87	-0.11	15.27	10.22	1.55	6.73	32494.2
Pwr Cons Corp	6.77	-	8.45	6.64	1.38	13.37	10497.12
SaicMtr	13.52	0.04	19.29	13.09	4.63	6.43	22283.28
ShenwanHong	0.12	0.00	0.18	0.07	-	3.38	131.60
ShgPdgBk	7.37	-0.04	8.22	6.63	6.58	4.48	30516.87
Sinopec Corp	5.09	-0.03	5.47	3.06	2.80	5.99	16101.91
Sinopec Oil	2.08	-	2.39	1.81	-	656.78	3981.53
Denmark (kr)							
DanskeBk	144.40	0.85	165.35	86.90	1.35	10.17	17932.04
MollerMrsk	11860	190.00	22650	11100	2.79	1.99	14302.56
NovoB	1116	-21.60	1185.6	730.60	0.81	55.32	276082.8
Finland (€)							
Nokia	3.81	0.00	5.20	3.66	-	13.53	23035.42
SampoA	43.23	0.08	49.97	39.86	3.84	9.47	23696.68
France (€)							
Airbus Grpe	124.44	-0.84	131.22	86.52	-	23.48	105512.7
AirLiquide	159.58	-0.08	164.52	114.48	1.67	30.31	89643.63
AXA	26.97	-0.29	30.34	20.34	5.15	9.35	66335.05
BNP Parib	55.29	-0.81	67.02	40.67	4.70	8.20	73211.39
ChristianDior	793.00	-4.00	872.00	525.00	0.86	29.80	153556.67
Cred Agr	10.73	-1.20	12.03	8.09	7.24	6.03	34836.61
Danone	55.72	-1.58	61.88	46.76	3.38	19.51	40492.01
EDF	12.00	-	12.05	7.27	3.95	9.50	51504.22
Engie SA	14.06	0.14	15.56	10.07	3.66	10.19	36731.21
EssilorLuxottica	174.98	-0.38	188.40	132.70	0.60	54.92	84035.8
Hermes Intl	1953.4	5.20	2036	957.60	0.23	86.31	221222.61
LOreal	404.20	-3.95	442.60	300.45	0.96	50.69	232397.47
LVMH	836.00	-4.00	904.60	535.00	0.81	36.03	450248.3
Orange	11.22	-0.16	11.87	9.08	5.20	3832.85	32011.55
PernodRic	204.80	-6.10	218.00	166.60	1.48	31.83	56671.05
Renault	32.70	-0.34	43.96	22.33	-	-25.13	10372.07
Safran	137.76	-1.42	145.52	87.85	0.30	1418.33	63141.68
Sanofi	94.31	-4.64	105.18	76.45	3.30	19.63	127692.61
Sant Gbn	53.25	-0.38	58.53	35.18	2.48	13.11	29464.13
Schneider	164.60	0.50	166.96	110.02	1.53	29.89	100840.93
SocGen	22.31	-1.39	28.39	18.97	2.41	3.88	19342.99
Total	53.82	-1.91	60.93	45.81	4.88	10.64	143776.85
UnibailR	49.68	0.06	73.09	39.68	-	-7.44	7615.7
Vinci	107.52	-1.00	112.40	80.84	2.43	24.54	68112.19
Vivendi	8.45	-0.02	11.45	7.59	6.89	-15.54	10002.04
Germany (€)							
Allianz	207.35	-0.40	228.40	156.22	4.50	13.49	89711.38
BASF	45.98	-0.73	53.77	37.90	6.97	7.84	44089.61
Bayer	53.42	-0.93	67.49	46.70	3.64	53.92	56299.32
BMW	104.18	-0.22	109.84	68.44	1.77	5.71	67278.7
Continental	65.38	-0.22	79.24	44.31	-	10.37	14027.75
Deut Bank	9.65	-0.04	12.09	7.25	-	9.77	21112.01
Deut Tlkm	20.77	-0.29	23.13	17.35	2.81	24.58	111103.78
DeutsPost	42.47	0.63	44.64	29.68	3.16	11.07	56451.39
E.ON	11.32	0.12	12.29	7.28	4.03	6.47	32060.88
Fresenius Med	40.23	-0.62	57.22	25.95	3.24	12.51	12645.16
Fresenius SE	26.16	-0.73	32.86	19.69	3.34	8.51	15673.39
HenkelKgaA	66.86	-1.28	70.10	56.55	2.66	18.31	18633.69
Linde	330.00	-1.15	345.00	261.20	1.10	52.78	173583.72
Mercedes-Benz	71.20	0.04	75.92	50.19	1.84	7.33	81714.29
MuenchRkv	333.80	-0.50	342.90	212.70	2.85	16.42	48867.25
SAP	122.08	0.20	125.10	79.58	1.47	28.18	160887.16
Siemens	156.66	0.66	161.02	93.67	2.17	24.25	134446.14
Volkswgn	146.35	-0.90	217.00	143.45	3.19	5.09	46328.39
Hong Kong (HK$)							
AIA	76.50	-0.10	93.65	57.25	1.60	19.07	113475.99
BOC Hold	23.65	-0.05	31.85	23.55	4.83	11.82	31920.07
Ch OSLnd&Inv	16.34	-0.06	25.60	14.40	6.77	3.95	22830.04
ChngKng	43.00	-0.20	57.00	42.55	3.79	9.59	19721.03
Citic Ltd	9.32	-0.10	10.86	7.01	5.31	4.20	34610.43
Citic Secs	14.94	-0.08	18.52	11.60	2.95	7.50	4996.98
CK Hutchison	48.10	-	56.30	38.55	4.36	5.94	23517.59
CNOOC	12.30	-0.10	13.36	9.22	3.39	10.46	69993.54
HangSeng	107.60	-0.70	141.40	106.90	5.22	16.87	26260.85
HK Exc&Clr	288.80	-0.20	404.20	208.20	2.92	31.72	46741.73
MTR	36.10	-0.40	43.10	33.15	3.14	25.46	28581.64
SandsCh	25.75	0.60	30.20	12.50	-	-27.70	26604.07
SHK Props	102.00	0.50	114.80	83.10	4.47	11.35	37731.99
Tencent	316.20	3.00	397.60	188.69	0.47	12.12	387022.56
India (Rs)							
Bhartiartl	818.45	-2.80	860.55	628.75	-	171.62	59054.92
HDFC Bk	1636.75	1.25	1734.45	1271.6	-	27.25	110574.51
Hind Unilevr	2656.55	6.25	2741.6	2100	1.23	69.89	75461.61
HsngDevFin	2693.35	2.80	2867	2026	0.87	22.52	60016.93
ICICI Bk	949.95	1.80	958.85	669.95	0.21	29.60	80288.43
Infosys	1323.85	9.45	1672.6	1185.3	2.33	25.69	66418.58
ITC	449.90	0.80	451.80	258.55	2.44	36.71	67597.98
L&T	2210.8	-13.75	2416.35	1456.35	0.83	36.02	37565.4
OilNatGas	158.85	-0.15	169.00	119.85	5.84	4.42	24159.8
RelianceIn	2519.95	-0.65	2817.35	2180	0.28	28.32	206132.56
SBI NewA	592.80	-2.20	629.55	430.70	0.69	16.24	63960.73
SunPhrmInds	959.60	-8.85	1070.95	789.90	0.80	35.12	27835.37
Tata Cons	3316.2	-4.15	3575	2926.1	1.12	31.11	146698.25
Israel (ILS)							
TevaPha	28.10	-	38.39	23.83	-	21.81	8453.83
Italy (€)							
Enel	6.01	0.06	6.26	3.96	5.92	28.79	65568.99
ENI	12.91	-0.31	14.98	10.45	5.08	5.59	49919.35
Generali	17.88	-	19.23	13.67	7.99	10.34	29899.97
IntSPaolo	2.21	-0.02	2.60	1.58	1.61	70.52	43344.68
Unicred	18.57	-0.09	20.05	8.24	0.63	28.39	38670.66
Japan (¥)							
AstellasPh	2264	-32.00	2360.5	1823.5	2.26	31.38	29305.65
Bridgestne	5752	-11.00	5836	4548	3.21	12.05	29363.7
Canon	3502	-6.00	3550	2754.5	3.10	15.60	33409.68
CntJpRwy	16880	-120.00	17920	14730	0.86	-29.14	24872.36
Denso	8787	9.00	8932	6389	1.77	22.17	49523.78
EastJpRwy	7774	-92.00	8325	6525	1.43	-7.18	21015.32
Fanuc	4838	78.00	24930	4409	10.40	5.30	34935.72
FastRetail	33310	260.00	34700	20273.33	1.75	14.40	75819.46
Fuji Hvy Ind	2446.5	44.50	2684	1938.5	2.55	25.88	13460.09
Hitachi	8154	25.00	8332	5983	1.57	11.01	54712.84
HondaMtr	4071	46.00	4094	2990.5	3.52	7.93	52747.22
JapanTob	3077	-6.00	3112	2275.5	4.94	14.42	44018.46
KDDI	4365	8.00	4579	3825	3.06	13.47	71895.42
Keyence	69180	530.00	70290	44880	0.32	53.23	120346.97
MitsbCp	5943	35.00	5969	3740	2.58	12.21	61991.28
MitsubEst	1010.46	-3.57	1036.81	876.51	-	-	-
MitsubishiEle	1831.5	-0.50	1846	1273	2.43	15.07	28129.18
MitsuiFud	939.43	26.77	1007.12	684.38	-	-	-
MitUFJFin	933.90	5.90	999.50	632.60	3.10	8.72	84754.16
Mizuho Fin	2050.5	-24.50	2238	1486.5	4.24	9.03	37242.82
Murata Mfg	8308	51.00	8811	6438	1.61	15.36	40159.29
Nippon TT	4015	-54.00	4334	3674	2.91	11.64	104019.02
Nissan Mt	533.30	8.40	577.60	408.10	-	15.59	16100.34
Nomura	495.40	-3.50	573.90	464.30	5.16	-30.67	11458.16
Nppn Stl	2837	26.00	3294	1838	3.14	4.03	19284.44
Panasonic	1473	20.50	1508	1006.5	1.89	13.41	25856.19
Seven & I	6053	-97.00	6619	5041	1.89	20.74	38379.41
ShnEtsuCh	4392	-11.00	21055	3797	7.34	3.79	63588.21
Softbank	5510	-32.00	7180	4708	0.89	4.26	57935.51
Sony	13355	80.00	13840	9213	0.50	15.35	120465.98
SumitomoF	5640	-9.00	6261	3907	3.94	9.88	55457.65
Takeda Ph	4542	3.00	4629	3497	4.41	14.67	51406.19
TokioMarine	3069	-42.00	3122	2417.67	7.97	4.49	43958.88
Toyota	1940	11.50	2267	1764	2.92	7.88	226394.43
Mexico (Mex$)							
AmerMvl	19.42	-0.76	21.25	15.67	1.59	16.58	46394.69
FEMSA UBD	171.85	-1.92	180.55	120.63	1.12	148.34	21026.01
WalMrtMex	68.26	-0.58	79.15	64.81	0.70	35.91	67478.02
Netherlands (€)							
ASML Hld	683.10	6.90	698.10	375.75	0.48	54.29	295419.04
Heineken	96.60	-3.00	106.30	78.28	0.99	17.24	59690.03
ING	11.73	-0.23	13.55	8.43	4.97	9.82	45553.55
Unilever	46.80	-1.12	50.93	41.24	3.06	24.03	146302.71
Norway (Kr)							
DNB	185.20	-0.65	209.50	168.20	10.92	10.18	25823.73
Equinor	289.45	-5.45	410.95	278.70	1.98	10.74	82189.33
Telenor	113.80	-1.10	135.80	87.60	9.19	16.54	14240.86
Qatar (QR)							
QatarNtBk	16.29	-0.09	23.00	14.31	3.17	12.87	41335.51
Saudi Arabia (SR)							
AlRajhiBnk	72.10	-	7317	0.00	3.03	13.41	76904.6
NatnlcombnK	37.30	-	1552.5	0.00	3.54	13.74	59678.4
SaudiBasic	89.80	-0.40	2115	0.00	3.30	12.82	71838.09
SaudiTelec	41.40	-0.10	8480	0.00	8.80	8.03	55198.55
Singapore (S$)							
DBS	31.33	-0.14	36.40	29.45	3.61	13.20	59779.57
JardnMt US$	48.85	-0.15	59.48	42.60	3.23	8.87	14214.05
OCBC	12.22	-0.01	13.23	11.20	3.15	12.53	40634.84
SingTel	2.50	0.03	2.82	2.31	2.75	43.38	30535.03
UOB	28.06	-0.04	31.40	25.91	3.24	12.84	34782.1
South Africa (R)							
Firstrand	59.73	-0.48	72.95	56.80	4.98	9.42	17001.24
MTN Grp	116.96	1.96	169.93	107.35	-	13.89	11182.1
Naspers N	3097.87	-1.73	3510	1598.54	0.22	14.51	68454.76
South Korea (KRW)							
HyundMobis	223500	-3500.00	239500	189500	1.83	8.53	15903.94
KoreaElePwr	18510	40.00	23700	16500	6.77	-10.58	8968.12
SK Hynix	110300	1100	113400	60600	1.43	7.72	60602.76
SmsungEl	72300	2000	79000	51800	2.04	12.25	325747.39
Spain (€)							
BBVA	6.36	-0.04	7.56	3.97	5.67	8.91	41128.83
BcoSantdr	3.11	-0.03	3.87	2.32	2.39	6.41	54903.69
CaixaBnk	3.54	-0.03	4.14	2.64	0.74	23.94	28457.54
Iberdrola	11.50	0.04	11.96	9.09	3.57	20.30	79492.11
Inditex	31.45	0.21	32.10	20.53	0.68	34.15	105149.98
Repsol	12.87	-0.30	16.23	11.19	4.53	8.08	18319.37
Telefonica	3.92	-0.06	5.06	3.22	8.58	2.94	24150.95
Sweden (SKr)							
AtlasCpcoB	138.10	1.85	139.65	23.37	5.81	8.46	19834.38
Ericsson	56.93	-0.08	82.25	53.36	4.34	7.70	16094.41
H & M	137.48	0.14	157.30	98.27	5.04	17.37	18477.73
Investor	219.90	0.90	221.95	158.20	1.75	8.67	36865.05
Nordea Bk	107.68	-1.48	134.94	88.32	14.92	11.52	35716.83
SEB	113.90	-1.15	133.50	99.42	9.75	8.73	22580.86
SvnskaHn	86.38	-0.60	112.90	80.88	6.36	7.77	15457.5
Swedbank	167.45	-2.15	219.90	124.50	9.56	8.20	17441.75
Telia Co	25.92	-0.27	40.70	25.54	8.49	8.39	9378.16
Volvo	202.25	-2.00	219.75	154.28	3.53	12.08	29561.23
Switzerland (SFr)							
ABB	33.69	-0.01	34.11	23.84	2.25	16.90	73225.58
CredSuisse	0.77	-0.02	6.76	0.66	11.76	-1.27	3423.29
Nestle	108.34	-3.72	118.70	103.42	2.31	19.67	320004.2
Novartis	87.02	-1.89	93.95	73.33	3.15	9.88	219244.56
Richemont	150.40	0.70	161.10	91.80	1.18	37.49	86850.82
Roche	287.90	-2.80	335.85	256.05	2.78	20.17	223759.95
Swiss Re	91.96	0.62	99.68	68.16	5.85	23.23	32299.41
Swisscom	573.40	-	619.40	443.40	3.49	17.83	32859.38
UBS	17.58	-0.34	20.85	13.87	1.98	8.56	60863.5
Zurich Fin	427.30	1.70	458.30	384.70	4.27	14.88	71122.99
Taiwan (NT$)							
Chunghwa Telecom	125.50	-0.50	130.50	105.50	3.46	26.95	31770.55
Formosa PetChem	86.40	0.10	97.90	75.20	0.69	16.42	26858.63
HonHaiPrc	107.00	1.50	116.00	98.00	3.79	10.64	48406.38
MediaTek	763.00	25.00	935.00	533.00	4.92	10.71	39829.94
TaiwanSem	566.00	-2.00	574.00	370.00	1.91	22.22	478977.54
Thailand (THB)							
PTT Explor	30.75	-0.25	38.50	29.50	6.27	8.51	25257.12
United Arab Emirates (Dhs)							
Emirtestele	24.30	0.70	38.98	11.60	2.75	27.17	57535.64
United Kingdom (p)							
Anglo American	2265	-53.50	4036	2263.13	7.87	4.49	37597.59
AscBrFd	1830.5	-30.50	2076	1223	0.34	30.26	17704.95
AstraZen	11498	-286.00	12828.45	9399	1.80	1946.83	221148.47
Aviva	405.10	3.80	473.70	366.70	5.27	53.30	13783.54
Barclays	155.80	-1.52	198.86	128.12	1.93	3.78	30065.01
BP	466.60	-10.30	570.57	359.20	3.37	16.93	101646.91
BrAmTob	2597.5	-72.50	3645	2591	8.30	8.79	72075.22
BT	145.90	1.85	196.60	22.98	-	14.17	17983.39
Compass	2206	-10.00	2250	1630.5	0.63	53.67	47602.65
Diageo	3402.5	-95.50	3960	3385.5	2.13	26.17	94947.53
GlaxoSmh	1371	-21.20	2753.96	16.64	5.84	15.83	69672.05
Glencore	416.80	-5.80	584.50	395.40	2.13	15.26	64566.57
HSBC	600.10	-10.70	653.80	434.70	2.69	13.11	148555.52
Imperial Brands	1698.5	-37.00	2185	1698.5	8.13	5.68	19332.71
Jardine Mathes.	62.50	-	55.30	46.89	2.52	11.35	18185.84
LlydsBkg	45.22	-0.29	54.33	38.51	5.68	6.28	36622.29
LSE Group	8480	-4.00	8893.86	6710	0.90	86.71	53248.95
Natl Grid	1100	10.50	1229.21	844.29	4.47	25.64	50200.02
Natwest Group	265.30	-2.20	308.65	210.90	3.96	10.44	29618.94
Prudential	1125	-	1336	782.40	1.05	18.27	38438.37
ReckittB	6290	-126.00	6824	5502	2.78	-27.22	55914.49
RELX	2485	-2.00	2735	2064	1.92	32.78	58549.42
RioTinto	4839.5	-85.50	6329	4424.5	10.38	5.06	75129.82
RollsRoyce	144.40	-4.65	160.00	64.44	-	98.23	14994.82
Shell PLC	2282	-70.50	2613.5	1908.6	2.65	12.03	193731.4
StandCh	643.20	-6.20	797.40	515.60	1.38	14.42	22489.71
Tesco	262.20	-1.60	307.23	194.35	3.49	13.35	23600.48
Unilever	4045	-124.00	4868.64	3469.5	3.58	20.77	126451.8
Vodafone	77.75	-1.72	132.04	65.00	9.95	-173.94	26046.19
WPP	877.60	4.60	1082	713.00	3.02	16.72	11703.76
United States of America ($)							
21stC Fox A	31.40	0.00	37.26	28.02	1.37	13.87	8448.35
3M	95.63	-1.31	152.30	95.20	5.67	10.31	52756.41
AbbottLb	102.10	-0.77	118.23	93.25	1.62	28.28	177546.47
Abbvie	136.29	-1.27	168.11	134.09	3.50	23.06	240455.04
Accenture	310.35	6.75	322.88	242.80	1.09	34.39	205636.57
Activision Bli.	79.80	1.14	87.01	70.94	0.54	25.32	62587.14
Adobe	418.60	3.21	451.15	274.73	-	44.94	192011.82
Advanced Micro	126.81	-0.22	130.79	54.57	-	53.85	204211.12
AEP	81.52	-0.73	105.60	80.30	3.37	17.94	41890.36
Aflac	64.81	0.32	74.02	52.07	1.87	11.07	39159.95
AirProd	273.93	0.10	328.56	218.88	2.01	31.40	60846.08
Allstate	109.52	-0.01	142.15	103.20	2.71	7.04	28787.54
Alphabet	123.92	-0.70	126.43	83.34	-	1.21	736179.02
Altria	43.92	-0.69	54.76	40.35	7.34	35.77	78398.94
Amazon	121.36	1.25	146.57	81.43	-	2.04	1245196.56
AmerAir	14.54	0.19	18.22	11.65	-	-4.24	9489.9
AmerExpr	157.66	0.42	182.15	130.65	1.08	16.71	117184.24
AmerIntGrp	54.09	0.02	64.88	45.66	2.17	5.46	39144.23
AmerTower	183.07	0.89	282.47	178.17	2.61	35.30	85318.53
Amgen	216.35	-0.59	296.67	214.48	2.98	22.97	115598.89
Amphenol Corp	77.14	0.53	82.86	61.67	0.93	33.54	45922.91
Analog Devices	176.66	0.13	198.25	133.48	1.45	64.74	89361.29
Anthem	482.58	12.71	-	-	-	-	-
Aon Cp	311.68	1.01	338.27	246.21	0.59	61.29	63659.24
Apple	177.32	1.89	178.99	124.17	0.45	32.09	2789037.03
Applied Materi.	137.21	1.15	138.80	71.12	0.63	20.66	115217.54
Aptiv	91.35	-0.78	124.88	77.96	-	51.39	24710.76
ArcherDan	71.22	-1.51	98.28	70.02	1.90	16.23	38788.89
AT&T	15.63	0.13	21.47	14.46	12.20	6.18	111703.13
Autodesk	194.75	-4.15	235.01	163.20	-	93.99	41828.99
AutomData	208.94	-3.55	274.92	196.61	1.68	33.35	86315.8
AutoZone	2445.22	-15.58	2750	1959.58	-	24.11	44986.34
Avago Tech	854.96	42.23	921.78	415.07	1.61	52.70	356453.06
BakerHu	27.41	-0.49	38.66	20.42	2.48	69.23	27743.79
Bank of NY	40.77	-0.01	52.26	36.22	2.92	10.75	32172.99
BankAm	28.10	-0.21	38.60	26.32	2.54	8.59	223905.3
Baxter	40.64	-0.66	76.66	37.35	2.45	17.53	20555.22
BectonDick	241.16	0.04	269.06	215.90	1.28	45.54	68493.03
BerkshHat	487490	840.00	511334.53	393012.25	-	8.95	285595.04
Biogen	297.01	-1.65	319.74	188.54	-	31.17	42989.91
BlackRock	671.90	-0.40	785.65	503.12	2.25	19.19	100625.53
Boeing	205.96	2.33	221.33	113.02	-	-31.44	123902.09
Booking Holdings	2537.68	-53.45	2786.85	1616.85	-	98.32	93725.79
Bristol-Myers	63.33	-0.49	81.44	63.07	2.91	22.15	133046.65
Broadcom	854.96	42.23	921.78	415.07	1.61	52.70	356453.06
Cadence Design	234.09	5.76	239.00	138.76	-	102.20	63832.6
CapOne	103.85	1.00	128.95	83.93	1.76	4.21	39650.58
CardinalHlth	82.11	-0.72	87.03	49.70	2.19	46.43	20905.22
Carnival	11.33	0.05	14.20	6.11	-	-1.47	12638.86
Caterpillar	209.19	-2.61	260.50	160.60	1.87	19.30	107807.25
Centene Corp	62.25	-0.47	98.53	61.71	-	29.80	34160.89
CharlesSch	53.46	-0.21	86.63	45.00	1.23	20.62	94578.34
Charter Comms	333.68	3.43	515.66	297.66	-	14.88	50243.19
Chevron Corp	152.51	-1.57	189.68	132.54	3.19	20.45	288952.08
Chipotle Mexic.	2086	14.98	2139.88	1196.28	-	99.42	57552.41
Chubb	189.85	-0.24	230.27	173.78	1.53	10.75	78631.03
Cigna	242.42	-1.68	340.11	240.11	1.51	16.82	71725.35
Cintas Corp	468.83	0.11	478.39	343.86	0.71	44.86	47681.07
Cisco	50.14	0.28	52.56	38.61	2.73	19.43	204323.42
Citigroup	44.44	-0.17	66.00	40.01	4.21	4.78	86503.92
CME Grp	176.68	0.01	212.09	166.55	1.87	26.45	63554.36
Coca-Cola	59.73	-0.54	65.47	54.02	2.58	28.97	258285.43
Cognizant	62.11	-0.77	75.40	51.33	1.42	16.74	31521.59
ColgtPlm	75.18	-1.04	83.81	67.84	2.18	32.18	62362.79
Comcast	39.40	-0.09	44.66	28.39	2.33	14.14	163858.89
ConocPhil	100.66	-1.20	138.49	78.30	1.78	18.10	121798.46
Constellation	237.00	4.12	261.32	208.12	1.19	-1164.69	43425.98
Corning	31.17	-0.08	37.73	28.98	2.82	26.58	26498.57
Corteva	54.82	-0.35	68.43	50.03	0.89	25.24	38970.06
Corteva	54.82	-0.35	68.43	50.03	0.89	25.24	38970.06
Costco	504.11	-3.15	564.75	443.20	0.58	43.92	223564.32
CrownCstl	112.79	1.03	193.95	110.22	4.44	46.10	48913.79
CSX	30.80	-0.01	34.71	25.80	1.16	18.57	62618.09
CVS	66.76	-0.88	107.26	66.61	2.74	12.25	85587.88
Danaher	230.13	-2.08	303.82	221.22	0.36	28.66	169812.65
Deere	347.73	-9.48	448.40	283.81	1.04	20.84	103040.14
Delta	36.36	0.47	42.45	27.20	-	47.63	23369.05
Devon Energy	46.56	-1.51	79.40	44.03	3.88	12.13	30450.24
Digital Realty	101.16	2.27	141.77	85.76	4.20	18.59	30070.01
DiscFinServ	103.10	0.74	118.71	87.64	1.67	6.31	26181.84
Disney	87.61	-0.69	126.48	84.07	-	55.59	160081.05
Dollar General	201.17	-3.93	261.59	200.18	0.77	21.38	44078.05
DominRes	49.77	-0.09	86.28	49.48	4.64	17.03	41604.8
DukeEner	88.58	-0.12	114.50	83.76	4.03	19.61	68264.33
DuPont	68.38	1.14	78.40	49.52	1.61	23.11	31387.57
Eaton	182.50	0.04	184.97	122.50	1.53	37.30	72744.5
eBay	43.66	-0.71	50.82	35.92	1.51	125.38	23343.94
Ecolab	165.84	-1.07	179.77	131.04	1.08	46.29	47218.12
Edwards Lifesc.	81.67	-0.34	107.92	67.13	-	37.45	49509.84
Eli Lilly	423.32	-2.47	454.95	283.11	0.74	75.49	401846.22
Emerson	78.64	-0.87	99.65	72.41	2.37	18.74	44942.76
EOG Res	107.89	-2.23	150.88	92.16	1.37	14.74	63100.4
Equinix	736.25	7.10	752.96	494.89	1.43	145.31	68856.5
EquityResTP	59.72	0.08	80.89	54.60	3.70	19.02	22628.19
Exelon	39.57	0.18	49.86	35.19	3.54	24.82	39355.1
ExxonMb	103.88	-1.09	119.92	80.69	3.08	21.03	419985.28
Fedex	225.45	1.30	248.76	141.92	1.16	13.23	56667.29
Fidelity NIS	53.50	-0.96	106.65	48.57	2.67	87.15	31695.83
Fiserv	112.25	-1.52	122.39	87.03	-	61.56	70507.18
FordMtr	12.68	0.59	16.68	10.61	0.72	3.11	49816.82
Franklin	24.66	0.05	32.88	20.24	4.20	7.12	12348.79
GenDyn	204.97	-0.28	256.86	202.35	2.09	19.37	56230.57
GenElectric	101.96	-0.78	105.94	46.77	0.29	-34.24	111030.36
GenMills	83.49	-0.69	90.89	64.94	2.26	24.07	49037.85
GenMotors	33.53	0.24	43.63	30.33	-	5.46	46610.98
GileadSci	76.51	-0.58	89.74	57.17	3.40	16.94	95434.95
GoldmSchs	329.52	-2.49	389.58	277.84	1.81	6.05	109547.43
Halliburton	29.37	-0.84	43.99	23.30	0.82	18.01	26492.95
HCA Hold	265.15	0.74	294.02	164.47	0.66	13.68	72966.58
Hew-Pack	31.17	-0.14	40.79	24.08	2.47	6.14	30701.13
Hilton Worldwi.	137.10	-0.99	152.89	108.41	-	102.49	36280.3
HiltonWwde	137.10	-0.99	152.89	108.41	-	102.49	36280.3
HomeDep	290.39	-2.44	347.25	264.51	2.10	20.22	291951.17
Honywell	193.60	-0.15	220.96	166.63	1.78	26.71	128875.02
HumanaInc	492.63	-3.97	571.30	418.70	0.52	23.72	61551.65
IBM	128.94	0.05	153.21	115.55	4.65	27.01	117083.38
IDEXX Laborato.	470.29	1.35	515.79	317.06	-	59.68	38987.04
IllinoisTool	223.23	-1.84	247.09	173.52	1.94	28.63	67840.22
Illumina	194.70	-1.20	258.07	173.45	-	42.16	30781.28
Intcntl Exch	104.21	-0.95	113.07	88.60	1.16	15.84	58343.74
Intel	29.90	0.90	44.93	24.59	4.26	6.71	124692.05
Intuit	415.74	-2.70	490.83	352.63	0.57	56.82	116430.63
John&John	153.80	-0.55	183.35	150.11	2.50	21.49	399692.84
JohnsonCn	61.60	-0.29	69.15	45.52	1.71	30.70	42260.26
JPMrgnCh	136.75	-0.19	144.34	101.28	2.55	9.72	399622.95
Kimb-Clark	133.88	-2.42	147.87	108.74	3.22	27.42	45168.43
KinderM	16.11	-0.10	20.20	15.78	6.32	37.98	36105.95
KLA Corp	458.88	-2.31	473.97	250.20	0.78	25.78	62957.83
Kraft Heinz	37.91	-0.44	42.80	32.73	3.87	50.45	46518.44
Kroger	46.42	-0.90	53.47	41.82	1.55	23.12	33309.65
LasVegasSd	55.06	-1.29	65.58	30.14	-	-39.80	42080.78
LibertyGbl	16.50	0.16	25.13	15.22	-	0.77	2822.98
Lilly (E)	423.32	-2.47	454.95	283.11	0.74	75.49	401846.22
Linde	353.81	-2.40	373.58	262.47	1.10	52.75	173483.95
Lockheed	448.46	0.01	508.10	373.67	2.27	21.02	113573.64
Lowes	205.42	-1.10	221.42	170.12	1.35	18.45	122512.49
Lyondell	86.66	-0.66	117.22	71.46	4.69	5.64	28186.63
Marathon Ptl	107.36	-1.45	138.83	77.62	1.98	58.01	45551
Marsh&M	174.40	1.17	182.43	143.33	1.41	29.28	86279.4
MasterCard	370.07	-4.30	392.20	276.87	0.56	46.11	347972.06
McDonald's	285.45	-0.59	298.86	230.58	1.69	31.03	208387.56
McKesson	385.78	-2.17	401.78	298.69	0.42	47.68	52312.64
Medtronic	82.96	1.50	100.62	75.77	2.75	24.71	110371.95
Merck	109.28	-1.80	119.65	83.05	2.21	24.54	277278.31
Meta	265.94	3.90	268.65	88.09	-	21.08	588288.96
Metlife	51.45	-0.36	77.36	48.95	3.38	7.68	39401.48
Microsoft	332.46	-0.44	335.74	213.43	0.63	38.64	2471965.02
Mnstr Bvrg	57.66	0.05	60.47	41.95	-	24.49	57660
MondelezInt	73.32	-1.81	78.59	54.72	1.66	26.32	99851.1
Monsanto	10.07	0.02	11.13	9.56	-	51.84	251.75
MorganStly	83.58	-0.32	100.99	72.05	2.30	11.36	139588.1
Netflix	395.00	16.12	405.11	164.28	-	38.35	175592.07
NextEraE	73.51	-0.41	91.35	69.64	2.03	105.40	148749.64
Nike	107.34	-0.17	129.23	82.22	1.00	30.62	132252.71
NorfolkS	209.33	-1.25	264.22	196.33	1.82	18.87	47650.66
Northrop	438.37	0.05	556.27	429.10	1.29	10.99	66570.62
NXP	182.17	0.99	198.28	132.08	1.13	29.28	47273.12
Occid Pet	58.34	-0.60	77.13	54.30	0.06	30.91	52024.41
Oracle	105.09	1.01	106.23	60.78	1.13	43.37	283722.19
Pepsico	181.45	-2.13	196.88	154.86	2.14	36.07	249982.42
Perrigo	32.15	-0.24	43.90	30.78	2.74	-35.81	4350.73
Pfizer	37.08	-0.53	54.93	36.17	3.86	10.30	209299.76
Phillips66	93.07	-1.84	113.53	74.02	3.56	34.20	42706.32
PhilMorris	89.83	-1.01	108.63	82.85	5.00	16.82	139433.83
PNCFin	118.07	-0.71	176.47	110.31	3.72	10.15	47122.68
PPG Inds	132.82	-0.91	145.51	107.06	1.64	31.81	31267.96
ProctGmbl	143.08	-2.32	158.11	122.18	2.29	26.54	337235.17
Prudntl	79.93	-0.21	110.96	75.37	5.27	4.47	29174.45
PublStor	291.25	4.56	357.13	270.13	2.52	32.21	51204.38
Qualcomm	114.42	4.07	156.66	101.47	2.15	14.30	127463.88
Raytheon	93.15	-0.11	104.91	80.27	1.97	39.41	136105.38
Regen Pharm	720.83	-4.22	837.55	538.01	-	10.93	77494.27
S&P Global	364.65	3.87	395.80	279.32	0.77	31.81	117417.3
Salesforce	216.95	1.51	222.14	126.34	-	158.48	212797.11
Schlmbrg	43.81	-0.67	59.45	30.65	1.05	36.22	62218.46
Sempra Energy	144.03	0.18	176.47	136.54	2.80	39.20	45319.45
Shrwin-Will	227.88	-1.26	278.31	195.24	0.88	35.63	58768.05
SimonProp	103.16	0.80	129.55	86.02	6.35	16.46	33732.13
SouthCpr	67.14	-0.12	82.05	42.42	4.37	16.69	51906.05
Starbucks	98.16	-0.37	115.48	70.35	1.72	28.95	112530.62
StateSt	69.53	1.06	94.74	58.62	2.87	10.55	23241.02
Stryker	271.97	-0.61	306.56	188.84	0.87	56.97	103030.73
Sychrony Fin	31.14	0.24	40.89	26.59	2.66	4.48	13345.69
T-MobileUS	135.38	0.23	154.38	121.76	-	61.31	162441.44
Target	135.20	-3.73	183.89	134.91	2.16	10.37	62402.86
TE Connect	123.72	0.94	138.24	104.76	1.47	18.35	38984.17
Tesla Mtrs	200.82	7.65	314.67	101.81	-	44.73	636499.85
TexasInstr	176.95	0.66	186.30	144.46	2.18	23.38	160609.35
TheTrvelers	172.57	0.28	194.45	149.65	1.92	11.61	39859.63
ThrmoFshr	517.47	-4.55	611.06	475.77	0.18	29.02	199599.19
TJX Cos	76.80	-0.21	83.13	54.55	1.25	30.75	88255.77
Truist Financial Corp	30.70	-0.01	52.22	25.56	5.55	7.49	40883.22
Twitter	53.70	0.35	60.16	31.30	-	-224.30	41093.72
UnionPac	192.63	0.83	242.36	183.69	2.20	19.43	117553.1
UPS	170.07	-1.50	209.39	154.87	2.20	12.64	123263.28
USBancorp	30.20	-0.48	53.37	27.27	5.34	6.46	46286.54
UtdHlthcre	478.88	-2.64	558.10	449.70	1.07	28.91	445852.62
ValeroEngy	111.53	-2.30	146.81	96.93	3.22	53.62	40318.18
Verizon	34.83	-0.18	52.18	34.55	6.67	7.14	146404
VertexPharm	324.38	-5.61	354.46	243.17	-	39.29	83544.59
VF Cp	17.57	-0.49	51.40	17.43	10.28	6.29	6827.12
Visa Inc	221.17	-3.84	235.57	174.60	0.55	39.97	357907.81
Walgreen	29.80	-0.22	44.27	29.48	5.90	4.71	25707
WalMartSto	146.90	0.48	154.64	117.90	1.39	32.61	396226.76
Walt Disney	87.61	-0.69	126.48	84.07	-	55.59	160081.05
Waste Manage.	161.59	0.31	175.98	138.89	1.30	41.11	65737.51
WellsFargo	40.52	-0.71	48.84	35.25	1.74	8.94	152041.97
Williams Cos	28.51	-0.25	37.97	27.80	5.27	25.09	34724.42
Workday	214.75	-1.33	218.88	128.72	-	1934.72	44237.47
Yum!Brnds	128.27	-1.59	143.25	103.97	1.43	26.87	35926.76
Zoetis	161.88	-2.86	187.82	124.15	0.57	41.38	74806.71
Zoom	65.24	-1.03	124.05	60.45	-	15.67	16367.09
Venezuela (VEF)							
Bco de Vnzla	4.27	-0.02	4.59	1.00	124.03	-	593.90
Bco Provncl	7.75	0.02	70000	6.80	-	0.00	110.83

Closing prices and highs & lows are in traded currency (with variations for that country indicated by stock), market capitalisation is in USD. Highs & lows are based on intraday trading over a rolling 52 week period.
♦ ex-dividend
■ ex-capital redistribution
price at time of suspension

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Avago Tech	854.96	812.73	42.23	5.20	126.23	24.5	36.60
Broadcom	854.96	812.73	42.23	5.20	126.23	24.5	36.60
Advanced Micro	126.81	127.03	-0.22	-0.17	18.91	17.3	41.90
Cadence Design	234.09	228.33	5.76	2.52	22.57	13.8	11.74
Adobe	418.60	415.39	3.21	0.77	44.97	13.0	10.88
SK Hynix	110300.00	109200.00	1100.00	1.01	11000.00	12.3	23.24
Digital Realty	101.16	98.89	2.27	2.30	8.46	11.9	2.01
Workday	214.75	216.07	-1.33	-0.61	23.20	11.3	15.36
Netflix	395.00	378.88	16.12	4.25	22.89	11.0	19.75
KLA Corp	458.88	461.19	-2.31	-0.50	46.50	10.7	18.79
Qualcomm	114.42	110.35	4.07	3.69	6.79	10.5	-2.02
Applied Materi.	137.21	136.06	1.15	0.84	11.57	10.2	21.35
MediaTek	763.00	738.00	25.00	3.39	33.00	8.2	14.74
Tesla Mtrs	200.82	193.17	7.65	3.96	7.40	8.1	22.21
FordMtr	12.68	12.09	0.59	4.85	0.36	8.1	6.73
Meta	265.94	262.04	3.90	1.49	15.30	7.8	10.62
Accenture	310.35	303.60	6.75	2.22	15.50	7.7	10.66
ASML Hld	682.70	676.20	6.50	0.96	41.20	7.5	19.06
Oracle	105.09	104.08	1.01	0.97	5.54	6.6	10.94
TaiwanSem	566.00	568.00	-2.00	-0.35	37.00	6.6	12.75

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
ChinaPcIns	20.15	21.40	-1.25	-5.84	-2.35	-15.2	-13.49
Nutrien	75.00	77.07	-2.07	-2.69	-6.66	-10.4	-20.16
Cred Agr	10.77	11.93	-1.16	-9.70	-0.03	-9.9	-2.80
Citic Ltd	9.32	9.42	-0.10	-1.06	-0.86	-9.3	-5.60
Cielo	4.74	4.80	-0.06	-1.25	-0.39	-8.7	-13.00
Ch OSLnd&Inv	16.34	16.40	-0.06	-0.37	-1.48	-8.6	-17.74
ChinaLife	13.48	13.54	-0.06	-0.44	-1.18	-8.4	-9.85
Target	135.20	138.93	-3.73	-2.68	-8.23	-8.1	-14.32
Citic Secs	14.94	15.02	-0.08	-0.53	-1.24	-8.1	-9.60
SocGen	22.34	23.70	-1.37	-5.76	-0.57	-8.0	1.43
PingAnIns	50.65	50.50	0.15	0.30	-4.45	-7.8	-10.49
Intuit	415.74	418.43	-2.70	-0.64	-31.37	-7.6	-6.34
Vodafone	77.75	79.47	-1.72	-2.16	-4.61	-7.5	-18.93
VF Cp	17.57	18.05	-0.49	-2.69	-0.92	-7.4	-25.31
Tencent	316.20	313.20	3.00	0.96	-27.00	-7.1	-8.01
MTR	36.10	36.50	-0.40	-1.10	-2.30	-7.0	-7.66
Vivendi	8.47	8.47	0.00	0.00	-0.63	-6.9	-14.85
ChMinsheng	3.13	3.18	-0.05	-1.57	-0.18	-6.8	8.33
Sanofi	94.21	98.95	-4.74	-4.79	-2.15	-6.8	-5.87
ChinaCitic	4.17	4.25	-0.08	-1.88	-0.22	-6.7	-1.65

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

May 30	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
HCA Inc.	04/24	8.36	BB-	Ba2	BB	113.75	4.24	0.00	0.12	-
High Yield Euro										
Aldesa Financial Services S.A.	04/21	7.25	-	-	B	71.10	28.23	0.00	0.64	25.98
Emerging US$										
Peru	03/19	7.13	BBB+	A3	BBB+	104.40	2.60	-	-	0.34
Colombia	01/26	4.50	-	Baa2	BBB-	109.50	2.33	0.16	0.52	1.28
Brazil	04/26	6.00	-	Ba2	BB-	115.15	2.78	-0.01	0.65	1.73
Poland	04/26	3.25	-	A2	A-	111.22	0.98	0.03	0.16	-0.07
Mexico	05/26	11.50	-	Baa1	BBB-	149.00	1.61	0.00	-0.12	0.56
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Turkey	03/27	6.00	-	B2	BB-	102.88	5.43	0.14	0.83	4.38
Peru	08/27	4.13	BBB+	A3	BBB+	103.50	3.66	0.01	-0.02	0.80
Russia	06/28	12.75	-	Baa3	BBB	168.12	2.48	0.07	0.05	-
Brazil	02/47	5.63	-	Ba2	BB-	101.48	5.52	0.08	0.80	-
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Mexico	04/23	2.75	-	Baa1	BBB-	106.48	-0.26	-	-	-0.36
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	117.04	1.00	0.02	-0.15	-1.42

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

BONDS: GLOBAL INVESTMENT GRADE

May 30	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-0.05	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	117.21	2.47	0.00	0.32	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A-	127.69	2.72	-0.01	0.06	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	128.27	2.80	0.00	-0.11	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	130.43	2.62	-0.07	-0.22	-
Barclays Bank plc	01/29	4.50	A	A1	A+	96.46	5.02	0.00	0.02	-
Euro										
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	0.10	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	124.42	0.68	0.00	-0.11	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	121.70	0.93	0.00	0.02	-
Finland	04/31	0.75	AA+	Aa1	AA+	111.08	-0.27	0.00	-0.05	-0.87
Yen										
Mexico	06/26	1.09	-	Baa1	BBB-	98.73	1.34	-0.02	-0.14	0.27
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

INTEREST RATES: OFFICIAL

May 30	Rate	Current	Since	Last
US	Fed Funds	4.75-5.00	22-03-2023	4.75-4.50
US	Prime	8.25	04-05-2023	8.00
US	Discount	5.00	02-05-2023	4.75
Euro	Repo	3.25	02-05-2023	2.899
UK	Repo	4.50	11-05-2023	4.25
Japan	O'night Call	0.00-0.10	01-02-2016	0.00
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25

INTEREST RATES: MARKET

May 30 (Libor: May 26)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	5.06543	0.003	0.000	-0.006	5.15371	5.47571	5.58100	5.66029
Euro Libor	-0.64957	-0.064	0.000	0.001	-0.61943	-0.58057	-0.55600	-0.48571
£ Libor	0.18063	-0.005	0.000	0.001	4.20130	4.89250	4.74470	0.81363
Swiss Fr Libor				-0.002	-0.77540	-0.75300	-0.70280	-0.55320
Yen Libor				0.000	-0.06005	-0.02617	0.07165	0.04867
Euro Euribor				0.014	3.21300	3.48300	3.78100	3.98200
Sterling CDs				0.000	0.50000	0.63000	0.78500	
US$ CDs				0.020	5.23000	5.44000	5.58000	
Euro CDs				-0.010	3.19000	3.41000	3.63000	

May 30	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	2.89	3.19	2.92	3.22	3.04	3.34	3.26	3.56	3.48	3.78	3.63	3.93
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	4.89	5.09	4.91	5.11	5.13	5.33	5.34	5.54	5.48	5.68	5.46	5.66
Japanese Yen	-0.30	-0.10	-0.30	-0.10	-0.25	0.05	-0.15	0.05	-0.05	0.15	0.00	0.20

Libor rates come from ICE (see www.theice.com) and are fixed at 11am UK time. Other data sources: US $, Euro & CDs: Tullett Prebon; SDR, US Discount: IMF; EONIA: ECB; Swiss Libor: SNB; EURONIA, RONIA & SONIA: WMBA.

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	206.68	0.03	-1.44	1.46	-1.42	0.88
Corporates(£)	-	-	-	-	-	-
Corporates(€)	-	-	-	-	-	-
Eurozone Sov(€)	-	-	-	-	-	-
Gilts(£)	-	-	-	-	-	-
Overall(£)	-	-	-	-	-	-
Overall(€)	-	-	-	-	-	-
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	678.34	1.86	-	-	8.07	9.15
Eurozone Govt Bond	110.04	-0.19	-	-	-0.34	-0.64

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	427.05	0.36	-5.59	-7.04	510.17	419.74
Europe 5Y	80.47	0.10	-1.17	-2.28	101.15	79.06
Japan 5Y	70.35	-0.05	-2.89	-11.62	99.54	70.25
Senior Financials 5Y	91.37	-0.21	-2.47	-6.72	124.01	89.56
Markit CDX						
Emerging Markets 5Y	249.98	0.00	-9.16	14.02	265.81	229.64
Nth Amer High Yld 5Y	475.84	0.00	-4.78	-0.51	511.98	458.20
Nth Amer Inv Grade 5Y	75.35	0.00	-1.50	-2.03	88.71	73.57

Websites: markit.com, ftse.com. All indices shown are unhedged. Currencies are shown in brackets after the index names.

VOLATILITY INDICES

	May 30	Day Chng	Prev	52 wk high	52 wk low
VIX	17.54	0.08	17.46	35.05	15.53
VXD	16.54	-0.28	16.82	37.57	10.88
VXN	22.67	0.46	22.21	41.12	5.85
VDAX	17.62	0.08	17.54	93.30	-

† CBOE. VIX: S&P 500 index Options Volatility, VXD: DJIA Index Options Volatility, VXN: NASDAQ Index Options Volatility.
‡ Deutsche Borse. VDAX: DAX Index Options Volatility.

BONDS: BENCHMARK GOVERNMENT

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	-	-	-	-	-	-	-	-
	05/32	1.25	81.46	3.70	-0.03	0.12	0.36	0.43
	02/50	1.00	99.66	1.64	-0.05	0.01	0.16	0.33
Austria	02/29	0.50	87.34	2.93	-0.08	0.03	0.16	1.74
	02/47	1.50	71.39	3.25	-0.12	-0.07	0.15	1.45
Belgium	06/27	0.80	92.28	2.84	-0.09	0.04	0.16	1.94
	06/47	1.60	69.30	3.51	-0.11	-0.05	0.12	1.38
Canada	03/25	1.25	94.83	4.35	0.03	0.33	0.65	1.78
	06/30	1.25	86.93	3.36	0.00	0.25	0.52	0.60
	12/48	2.75	90.48	3.31	-0.03	0.11	0.31	0.49
Denmark	11/29	0.50	87.20	2.69	-0.08	0.02	0.14	1.48
	11/52	0.25	50.79	2.69	-0.10	-0.07	0.12	1.19
Finland	09/24	0.00	96.07	3.15	-0.04	0.13	0.27	2.62
	09/29	0.50	86.28	2.92	-0.09	0.02	0.12	1.71
France	05/28	0.75	90.52	2.81	-0.09	0.02	0.16	1.79
	05/48	2.00	76.71	3.40	-0.11	-0.05	0.13	1.41
Germany	08/29	0.00	86.33	2.40	-0.10	0.01	0.13	1.59
	08/50	0.00	51.34	2.48	-0.11	-0.07	0.15	1.26
Greece	-	-	-	-	-	-	-	-
	01/28	3.75	101.92	3.30	-0.05	-0.04	-0.33	0.93
Ireland	-	-	-	-	-	-	-	-
	05/26	1.00	94.68	2.90	-0.06	0.11	0.23	2.15
	02/45	2.00	79.18	3.37	-0.12	-0.03	0.14	1.40
Italy	02/25	0.35	94.96	3.48	-0.06	0.01	0.15	2.11
	05/30	0.40	90.82	1.81	-0.08	-0.12	0.08	1.31
	03/48	3.45	83.52	4.57	-0.12	-0.08	0.12	1.31
Japan	04/25	0.05	100.05	0.02	0.01	0.00	-0.03	-0.02
	12/29	0.10	99.40	0.19	0.00	0.02	-0.01	0.06
	12/49	0.40	81.18	1.23	0.00	0.03	-0.03	0.28
Netherlands	07/27	0.75	92.41	2.72	-0.07	0.05	0.16	1.89
	01/47	2.75	98.74	2.82	-0.12	-0.07	0.14	1.39
New Zealand	05/31	1.50	81.03	4.35	-0.02	-0.03	0.27	0.87
	09/40	2.50	121.01	2.53	-0.02	0.00	0.29	0.69
Norway	08/30	1.38	86.92	3.45	0.02	0.11	0.30	0.80
Poland	-	-	-	-	-	-	-	-
	07/27	2.50	87.02	6.13	0.00	0.11	0.21	-0.80
	04/47	4.00	76.21	5.88	0.00	-0.02	-0.06	-0.85
Portugal	04/27	4.13	104.79	2.80	-0.07	-0.02	0.09	1.56
Spain	-	-	-	-	-	-	-	-
	10/29	0.60	85.05	3.21	-0.10	0.00	0.15	1.59
	10/46	2.90	83.81	3.97	-0.11	-0.03	0.18	1.40
Sweden	06/30	0.13	114.52	0.60	-0.05	-0.04	-0.15	1.72
	03/39	3.50	112.12	2.56	-0.02	0.06	0.12	0.84
Switzerland	04/28	4.00	113.97	1.03	0.05	0.13	0.08	0.65
	06/29	0.00	94.22	0.99	0.01	0.05	0.00	0.51
United Kingdom	07/23	0.75	99.45	4.52	0.02	0.11	0.26	3.13
	07/27	1.25	88.25	4.38	-0.01	0.42	0.71	2.81
	07/47	1.50	54.50	4.66	0.00	0.21	0.56	2.44
United States	-	-	-	-	-	-	-	-
	03/25	0.50	92.70	4.70	-	-	-	-
	02/30	1.50	85.99	3.89	-	-	-	-
	02/50	0.25	69.00	1.70	-	-	-	-

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

GILTS: UK CASH MARKET

May 30	Price £	Red Yield	Change in Yield Day	Week	Month	Year	52 Week High	52 Week Low	Amnt £m
	-	-	-	-	-	-	-	-	-
Tr 0.75pc '23	99.48	4.37	-1.13	1.86	3.31	209.93	99.48	97.34	34.36
Tr 0.125pc '24	97.00	4.74	-1.46	6.28	14.22	213.91	97.54	94.34	35.55
Tr 2pc '25	94.59	4.53	-1.74	6.84	16.15	196.08	101.22	93.15	39.93
Tr 0.125pc '26	89.42	4.37	-1.80	6.59	17.47	187.50	95.25	86.33	35.32
Tr 1.25pc '27	88.52	4.30	-1.83	5.91	16.22	168.75	98.68	85.65	40.99
Tr 0.5pc '29	81.06	4.30	-2.05	4.12	14.06	142.94	95.06	78.21	28.92
Tr 1pc '32	76.93	4.20	-2.55	2.19	12.60	112.12	122.11	76.20	35.96
Tr 4.25pc '36	98.80	4.37	-2.46	1.39	11.76	98.64	125.01	94.91	31.68
Tr 4.5pc '42	99.33	4.55	-1.94	1.11	10.44	99.56	135.11	93.79	28.35
Tr 3.75pc '52	86.96	4.56	-1.72	0.66	10.68	104.48	132.80	82.51	25.11
Tr 4pc '60	91.18	4.49	-1.54	0.90	11.69	109.81	147.23	87.32	25.13

Gilts benchmarks & non-rump undated stocks. Closing mid-price in pounds per £100 nominal of stock.

GILTS: UK FTSE ACTUARIES INDICES

Price Indices Fixed Coupon	May 30	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	80.33	0.18	2329.19	-1.19	-3.54	4.48
2 5 - 10 Years	141.80	0.66	3051.15	-3.61	-12.00	4.18
3 10 - 15 Years	149.14	1.10	3474.44	-5.34	-17.47	4.37
4 5 - 15 Years	142.47	0.79	3149.49	-4.15	-13.59	4.26
5 Over 15 Years	192.95	1.28	3379.38	-8.21	-31.61	4.52
7 All stocks	128.44	0.71	2903.86	-4.42	-17.55	4.44

Index Linked	May 30	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	323.91	0.20	-0.76	-0.20	2752.99	-0.59	0.90
2 Over 5 years	498.91	1.36	-8.01	-31.85	3813.84	-7.89	-31.47
3 5-15 years	439.57	0.90	-3.60	-14.15	3570.63	-3.45	-13.42
4 Over 15 years	539.56	1.71	-11.05	-40.81	4000.45	-10.97	-40.58
5 All stocks	479.64	1.15	-6.80	-27.83	3741.90	-6.68	-27.37

Yield Indices	May 30	May 26	Yr ago		May 30	May 26	Yr ago
5 Yrs	4.22	4.31	1.59	20 Yrs	4.55	4.64	2.31
10 Yrs	4.27	4.37	2.00	45 Yrs	4.41	4.47	2.08
15 Yrs	4.46	4.55	2.24				

Real yield	inflation 0% May 30	Dur yrs	Previous	Yr ago	inflation 5% May 30	Dur yrs	Previous	Yr ago
Up to 5 yrs	1.68	2.28	1.76	-2.62	1.22	2.30	1.30	-3.15
Over 5 yrs	1.09	18.58	1.17	-1.31	1.06	18.64	1.13	-1.33
5-15 yrs	0.92	9.17	1.02	-1.83	0.82	9.18	0.92	-1.93
Over 15 yrs	1.14	25.41	1.21	-1.23	1.12	25.42	1.19	-1.24
All stocks	1.11	15.66	1.18	-1.32	1.07	15.75	1.14	-1.36

See FTSE website for more details www.ftse.com/products/indices/gilts

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COMMODITIES

www.ft.com/commodities

Energy		Price*	Change	Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Jul	71.73	-0.94	Corn♦	Jul	603.50	-0.50
Brent Crude Oil‡		73.81	-3.29	Wheat♦	Jul	603.50	-12.50
RBOB Gasoline†	Jul	2.56	-0.15	Soybeans♦	Jul	1322.25	-15.00
Natural Gas†	Jul	2.36	-0.06	Soybeans Meal♦	Jul	398.20	-4.00
Base Metals (♠ LME 3 Months)				Cocoa (ICE Liffe)✠	Jul	2349.00	-11.00
Aluminium		2206.50	-36.50	Cocoa (ICE US)♥	Jul	3017.00	26.00
Aluminium Alloy		2150.00	-75.00	Coffee(Robusta)✠	Jul	2564.00	-10.00
Copper		8096.50	-42.50	Coffee (Arabica)♥	Jul	180.00	-1.60
Lead		2062.00	-13.50	White Sugar✠		707.30	-1.20
Nickel		21080.00	45.00	Sugar 11♥		25.73	0.36
Tin		25440.00	590.00	Cotton♥	Jul	85.11	1.76
Zinc		2314.00	-24.00	Orange Juice♥	Jul	288.40	-3.55
Precious Metals (PM London Fix)				Live Cattle♣	Jun	167.28	-0.03
Gold		1947.90	-0.35	Feeder Cattle♣	May	134.88	-
Silver (US cents)		2314.50	14.00	Lean Hogs♣	Jun	76.25	-1.40
Platinum		1025.00	2.00				
Palladium		1442.00	28.00		May 26	% Chg Month	% Chg Year
Bulk Commodities							
Iron Ore		100.59	4.91	S&P GSCI Spt	532.91	-5.68	-32.78
Baltic Dry Index		1123.00	-49.00	DJ UBS Spot	98.41	-5.65	-26.49
Richards Bay ICE Futures		102.90	-8.10	TR/CC CRB TR	288.45	-1.18	-15.03
				LEBA EUA Carbon	58.91	-1.98	129.94
				LEBA UK Power	1048.00	-37.43	-39.60

Sources: † NYMEX, ‡ ECX/ICE, ♦ CBOT, ✠ ICE Liffe, ♥ ICE Futures, ♣ CME, ♠ LME/London Metal Exchange.* Latest prices, $ unless otherwise stated.

BONDS: INDEX-LINKED

	Price May 29	Yield May 29	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 26	108.55	1.722	1.703	-1.26	5.25	71170.83	8
Fr 0.25%' 24	100.19	0.085	0.094	0.39	17.92	261244.98	17
Swe 1.00%' 25	126.82	0.940	0.951	0.63	35.93	227136.28	7
UK 2.500%' 24	374.15	2.854	2.829	-0.07	6.82	506014.53	30
UK 2.50%' 24	374.15	2.854	2.829	-0.07	6.82	506014.53	30
UK 2.00%' 35	233.72	1.025	1.024	-4.84	9.08	506014.53	30
US 0.625%' 26	96.08	2.168	2.164	-1.08	42.42	1633905.82	48
US 3.625%' 28	108.15	1.868	1.871	-2.09	16.78	1633905.82	48

Representative stocks from each major market Source: Merill Lynch Global Bond Indices † Local currencies. ‡ Total market value. In line with market convention, for UK Gilts inflation factor is applied to price, for other markets it is applied to par amount.

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds		Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	3.70	1.30	-0.19	Netherlands	2.72	0.33	-1.17
Austria	2.93	0.54	-0.96	New Zealand	4.35	1.95	0.45
Canada	3.36	0.96	-0.53	Norway	3.45	1.06	-0.44
Denmark	2.69	0.29	-1.21	Portugal	2.80	0.41	-1.09
Finland	2.92	0.52	-0.97	Spain	3.21	0.82	-0.68
Germany	2.40	0.00	-1.50	Sweden	0.60	-1.80	-3.30
Italy	1.81	-0.59	-2.08	Switzerland	0.99	-1.41	-2.90
Japan	0.19	-2.20	-3.70	United States	3.89	1.50	0.00

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

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ARTS

‘They told me I had to stop painting’

Having survived the medium’s ‘death’, Jacqueline Humphries is making work which asks fresh questions. By Julia Halperin

Like many observers who watched footage of climate protesters throwing tomato soup across the glass-covered surface of Vincent van Gogh’s “Sunflowers” at London’s National Gallery last autumn, painter Jacqueline Humphries was horrified — at first. Then her horror turned to fascination. Before long, she began to feel a certain kinship with the young agitators.

Humphries has dedicated her nearly 40-year career to the question of how painting can remain captivating in an age of technological distraction. She couldn’t help but admire the way the bright orange paint looked as it dripped over Charles Ray’s stainless steel “Horse and Rider” (2014) after activists attacked the sculpture in Paris last November. Their marks, she thought, resembled the ones she makes. And people could not look away from them.

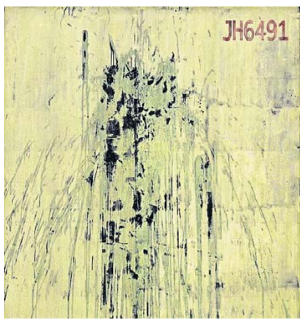
“I don’t want art to be destroyed, but I want art to be engaged with in profound ways,” Humphries says at her airy studio in the industrial neighbourhood of Red Hook, Brooklyn. For a painter so interested in spatters and mess, she looks remarkably tidy in crisp black Prada pants and a matching top. “They are saying art is powerful, and that is a net plus in a world where images are everywhere.”

The protesters’ shock tactics are the inspiration for a new body of work in Humphries’ two-venue solo exhibition at Modern Art on Helmet Row and Bury Street in London (June 3-July 22), which coincides with London Gallery Weekend (June 2-4). It is the latest in a trio of exhibitions of Humphries’ work this year, first at Greene Naftali in New York and then at Palazzo Degas in Naples. Greene Naftali and Modern Art are also due to present her work at the Art Basel fair in Switzerland (June 15-18).

Humphries calls these paintings “pre-vandalised”: compositions in hues such as rose, mustard and sage with ghostly black paint oozing down the front. It looks as if an oily black substance was hurled at the canvas and then wiped off, leaving behind a stain. In some pictures, a baby’s tiny hand hovers outstretched at the edge — a nod to the protesters of the future, as well as the current demonstrators’ penchant for gluing themselves to works of art. “The more I work with it, the more compassion I have,” Humphries says. “It made me think about my own destructive impulses.”

> ‘I don’t want art to be destroyed, but I want art to be engaged with in profound ways’

While Humphries does not reveal the source of those impulses (“You’d have to ask my therapist”), they have been brewing for some time. She shows me a snapshot of her in front of an imposing bank building on a visit to Zurich 20 years ago. It had been vandalised with bold splashes of red paint. In the photo, she is leaning against the wall with a slight smirk on her face, clearly delighted that the sparkling city had been given an unwelcome jolt of colour.



Above: Jacqueline Humphries, photographed for the FT by Erinn Springer. Above right: Humphries’ ‘JH6491’ (2022)

Humphries grew up in New Orleans, raised by an artist mother and a father who worked at an investment firm by day and played jazz by night. She never felt she fitted in. But when her mother took her to a museum in Houston, and later when she spent time in Paris as an exchange student, she found a community that she felt connected to: painters such as Manet, Chardin and Cézanne. “By then, I was obsessed,” she recalls.

There was just one problem. She attended art school at a time when painting couldn’t have been less in fashion. In fact, the prevailing conclusion was that painting was dead. In mid-1980s New York, the most respected artists were Cindy Sherman, Richard Prince and others who employed the visual language of advertising to create photographs, videos and collages that revealed the manufactured nature of images. Abstract painting was dismissed as too tactile, retro and earnest.

After Humphries enrolled in the notoriously theory-focused Whitney Independent Study Program in 1985, a group of students staged an intervention. “A bunch of the fellows got together one day and marched into my studio as a group and told me I had to stop painting,” she says. Her reaction must have surprised them. “I thought, ‘Wow, this is great, I’m doing something right! They took the time to pay attention.’” The pushback she received inspired a new series of paintings that got progressively smaller and smaller — a literal interpretation of the pressure she felt as a painter to disappear.

Since then, Humphries has made it her mission to keep painting vital in our attention-addled digital age. She has used reflective silver paint and fluorescent paint visible only under black light to recreate the glow we experience when we look at an iPhone or computer screen. She has peppered her canvases with the debris of our digital lives, including emoticons, emojis and captchas, those distorted phrases we type to prove to a website that we are not robots. More recently, she began painting tiny dots across her surfaces while they were still wet. The veil effect invites the viewer’s eyes to glaze over the work as one might while scrolling TikTok.

“It’s awful, the way social media is designed to keep us addicted to looking at the screen,” Humphries says. “But I want the same damn thing: I want someone to be frozen looking at my thing.”

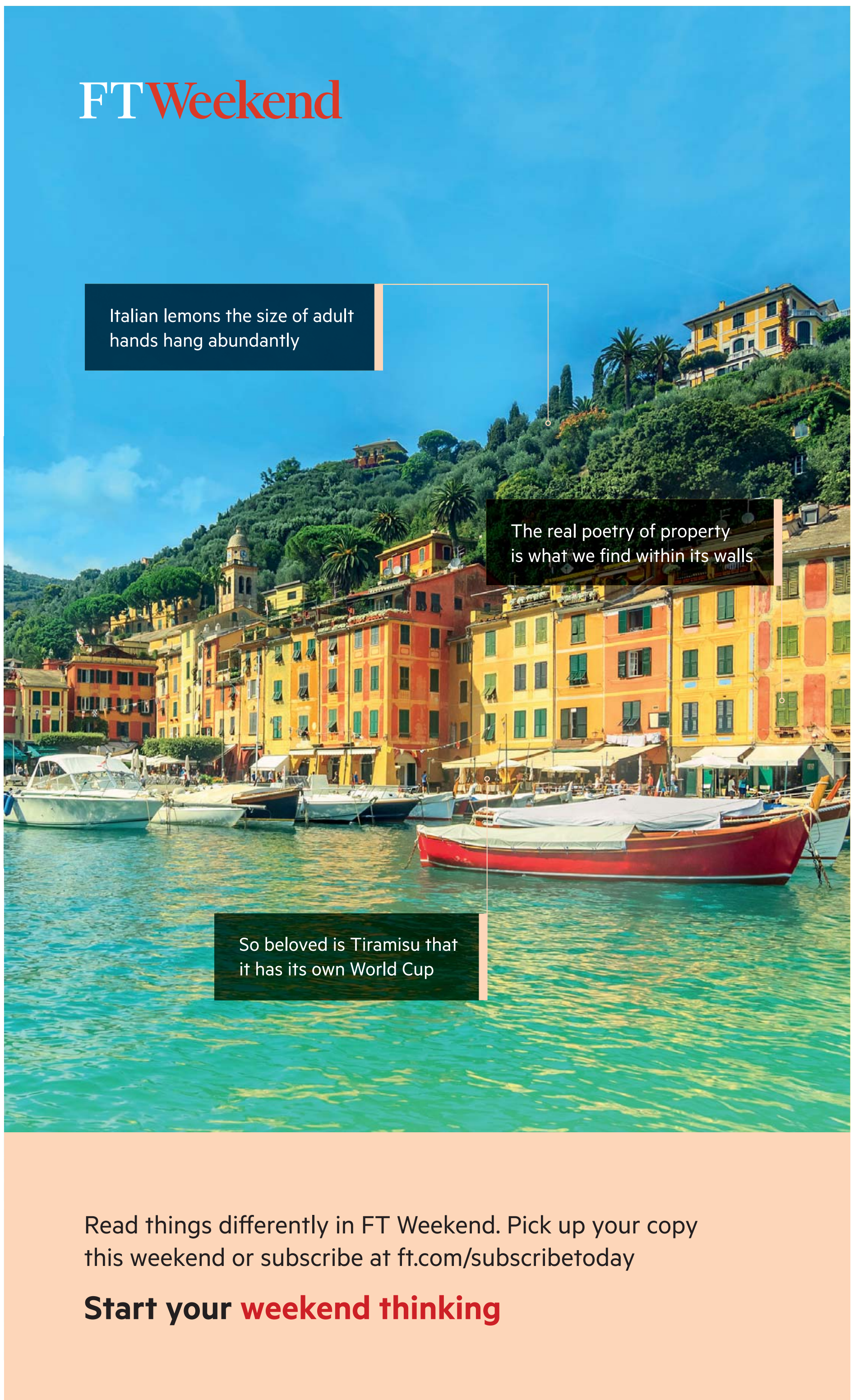
Humphries’ studio looks like a mash-up of a mad scientist’s lair, a Swedish design studio and a forensics lab. As we enter, we pass a 3D printer whose nozzle is whirring back and forth, hard at work. Taped to the wall nearby is a massive sheet of paper labelled “Blood Spatters”, with an elaborate menu of daubs and drips taken from forensics websites. Next to it hangs a similar menu for emojis. Humphries uses these menus like a painter’s palette, selecting her image of choice and sometimes manipulating it further on the computer. The result is fed into one of the studio’s commercial laser cutters to create a stencil that she uses to apply the paint to the canvas.

Humphries felt strangely encouraged that the climate protesters chose art as the vehicle to raise an alarm about the danger facing humanity. She remains dubious, however, about painting’s ability to save the world. “It’s not defensible what they’re doing, but neither is art in the first place,” she says. Her work has a more modest aim that is, in fact, quite radical: to prompt people to look at the world around them more carefully.

In a final bid to frustrate the contemporary viewer, Humphries creates works that firmly resist being photographed. Through the phone screen, the layers and textures flatten and the tension between the handmade pours and stencilled marks disappears. The surfaces look surprisingly dull. The artist hopes it will be enough to prompt viewers to look away from their devices and back out at the world.

modernart.net; londongalleryweekend.art

‘JH123091HJ’ (2023) by Jacqueline Humphries



Musicians give black lives a voice

JAZZ

Black Lives: From Generation to Generation
Ronnie Scott’s, London
★★★★☆

Mike Hobart

The Black Lives: From Generation to Generation project, initiated by Brussels-based producer Stefany Calembert, was an immediate musical response to the social tensions that surfaced following the murder of George Floyd in May 2020. Recording started under pandemic conditions — remotely at first, then in studios when restrictions relaxed — and a double CD of the same name, themed broadly on giving black lives a voice, was released early last year. The 20-track album, recorded across three continents, featured more than 60 musicians in various combinations.

This first-house gig at Ronnie Scott’s captured the recording’s common cause and grand design with a series of musical vignettes that drew on a 14-strong cast including three drummers, two drum kits, brass, vocals and spoken word. As on the album, compositions flowed logically from lyrical jazz to African lilt and hardcore rap.

The evening started with the sampled sound of a protest march, the scratchy bite of DJ Grazzhoppa’s turntables and American guitarist David Gilmore channelling the Delta blues. With the scene set, light-touch funk set up the spoken word of “We Are Here”, delivered imperiously by Sharrif Simmons as a mix of poetics and rap. The layered lines and programmed drums of the recording were expanded by a live rhythm section, Simmons rapping in French and with solos for tenor sax. “Friendship” came next, with a gorgeous grand piano introduction from Federico González Peña, female backing vocals and Peña’s synth bringing the piece to a high.

When the band stretched out, their core aesthetic criss-crossed between edgy M-Base funk and Afro-inflected jazz. Bassist Reggie Washington, a constant stage presence, expertly managed the power of three drummers and slotted in rhythmic complexities with urgency and a deep tone. Saxophonist Jacques Schwarz-Bart engaged with his syncopated fluency, warm sound and biting attack, and was equally at ease on the grooves that supported him. The complex “Sa Nou Yé” moved smoothly from French urban hip-hop to township groove, and segued into “Sanga Bô”, a feature for percussionist Sonny Troupé to rouse the crowd.

As the set progressed, trumpeter Jeremy Pelt joined the band for the minor-key moods and sparse hip-hop beats of “Anthem for a Better Tomorrow”, followed by vocalist/guitarist Adam Falcon with his stirring and soulful “Colored Man Singin’ the Blues!”. Drummers Marque Gilmore and Gene Lake played as one, soloists swapped lines and the evening came to a high.

Pelt returned to add a lovely muted solo on “From the Outside In”, a poetic ballad movingly brought to life by South African vocalist Tutu Puoane. Guitarist Jean-Paul Bourelly delivered the intriguing Afrocentric hip-hop of “Masters of Mud (Shape Shifting)”. There was no time for the expected all-hands-on-deck finale, making a low-key end to an upbeat night.

ronniescotts.co.uk

From left: Jeremy Pelt, Christie Dashiell and Tutu Puoane — Jeremy White

FT BIG READ. FINANCIAL SERVICES

State-backed investors have poured money into buyout groups, enabling Beijing to deploy hundreds of billions of dollars into western companies and economies even as the political mood has shifted.
By Will Louch, Yuan Yang and Kaye Wiggins

The China funds quietly investing in private equity

An IVC Evidensia veterinary practice in Sweden may not appear to have much in common with a Vena Energy solar project in Taiwan, or the GardaWorld security personnel at a Canadian ice-hockey game.

But some of the capital that helps sustain all three companies comes from the same place: the People's Republic of China. Private equity firms EQT, Global Infrastructure Partners and BC Partners — the immediate owners, respectively, of the three businesses — are just three among dozens of western buyout groups that Chinese state-backed investors have poured money into, according to people familiar with their affairs and an analysis of regulatory filings.

These relationships between private equity groups and entities such as China Investment Corporation and the State Administration of Foreign Assets have enabled China to deploy hundreds of billions of dollars into western economies, taking indirect stakes in companies across sectors such as healthcare, technology and engineering, even as politicians move to reduce the west's economic dependency on China.

CIC and Safe are among the world's largest investors in "alternatives" — a category of illiquid investments dominated by private equity. The two have about a quarter of their respective $1.35tn and $1tn in assets invested in alternatives, according to data provider and consultancy firm Global SWF.

Additionally, the Hong Kong Monetary Authority, the territory's de facto central bank, has about $62bn invested in private equity and real estate. It also owns a stake in CVC Capital Partners, one of Europe's biggest buyout firms and has invested in its funds, say two people with knowledge of the matter.

These indirect investments in private equity funds have been increasing as a result of western governments and regulators taking steps to stop Chinese state funds from investing directly in companies and infrastructure.

They have also been helped by the growth of the private equity industry, which over the past three decades has grown from a niche corner of the financial services sector to a near $13tn asset class. Its rapid growth has turned it into an important conduit for global capital flows, with firms such as Blackstone, KKR and Carlyle Group managing and investing money on behalf of sovereign wealth funds, endowments, super-rich individuals and state pension plans.

Private equity executives insist there is no risk to national security in having money from Chinese state entities in their funds because the way they are structured typically does not give such investors board seats or voting rights. Indeed, some see it as a risk-free way to attract Chinese capital without giving up any actual corporate influence.

However, the close relationship between private equity and the Chinese state has become increasingly at odds with the shifting political mood in western capitals, where governments have become much more vigilant about the potential for Chinese influence over strategic industries.

In the case of private equity, this is aggravated by a wider lack of transparency. "It's essentially a black box, in terms of the origins of the money," says Lily McElwee, a China expert at the Center for Strategic and International Studies in Washington.

> 'It is deeply concerning that Chinese state investors effectively own such large swaths of our economy and infrastructure'

The investments by Chinese state funds are attracting political scrutiny because they have created ties between China and western economies that could be near-impossible to unpick.

"It is deeply concerning that Chinese state investors effectively own such large swaths of our economy and infrastructure, through their investments in private equity funds and other investment vehicles," says Alicia Kearns, a Conservative MP who chairs the influential foreign affairs select committee in the UK. "The private nature of these funds means it is impossible to know the true extent of this phenomenon."

But Peter Lu, global head of law firm McDermott Will & Emery's China practice, who has represented Chinese state-owned funds on their foreign deals, says regulators are increasingly starting to pay attention to the money behind private equity funds more generally.

"Increasingly for big deals, PE funds have to tell US and UK regulators who is behind them through national security filings," he says. "You've got investors not just from China but also from Saudi, Qatar, all of the world, in these deals. It's very hard for a big sovereign wealth fund to hide." CIC declined to comment. Safe acknowledged a request for comment but did not respond.

China's state-backed investors have favoured the west, with interests ranging from energy to veterinary businesses. Industry heavyweights such as Blackstone's Stephen Schwarzman, below, are still open to Chinese sovereign funds despite the changing political climate
Reuters

'A paradigm shift'

The relationship began in earnest just before the financial crisis. On May 20 2007, the Chinese government announced what was then its most eye-catching overseas deal: the acquisition of a $3bn stake in US private equity giant Blackstone, whose billionaire founder Stephen Schwarzman hailed the deal as a "paradigm shift in global capital flows". It created ties between CIC and Blackstone that persist today, though CIC has since sold its stake.

Less than six months later, the Chinese government formalised its ambitions to invest overseas when it set up CIC, seeded with $200bn. The fallout from the global financial crisis helped the Chinese sovereign wealth funds build closer ties with private equity firms, many of which were struggling to raise money from traditional sources.

The Chinese were not alone. The crisis catalysed sovereign wealth funds' interest in private capital as they repositioned their portfolios away from low-return government bonds into higher risk, higher yielding alternative assets like private equity and infrastructure.

Investment firms and consultants clamoured to help build closer relationships between private equity barons and cash-rich sovereign wealth funds, often based in Asia or the Middle East.

Hamilton Lane, an influential US adviser to investors like public pension plans and sovereign wealth funds, won lucrative mandates to help build out at least one Chinese sovereign fund's private equity portfolio, while US fund picker GCM Grosvenor set up a secondment programme with CIC, according to a person familiar with the matter. Both companies declined to comment.

"Every single fund of funds and gatekeeper has worked for CIC at one point," says one industry executive.

These relationships helped the Chinese state funds to quickly expand their operations. According to people familiar with the matters, and an analysis of regulatory filings, the list of firms that have received investments is a who's who of the industry: Carlyle Group, Permira, BC Partners, EQT, Brookfield, Nordic Capital, CVC Capital Partners, Blackstone, Ardian, Hg Capital, Bridgepoint, Eurazeo, Triton and Global Infrastructure Partners are among them.

China's sovereign wealth funds have also invested directly into companies alongside private-equity managers in infrastructure assets. In one, Singaporean renewable energy provider Equis Energy, CIC took a direct stake alongside GIP, in which it is also an investor.

Macquarie and Blackstone have also co-invested with CIC in this way, according to one former CIC employee.

During the 2010s, western governments, particularly in the UK, welcomed Chinese investment with open arms. China's sovereign wealth funds bought stakes directly in UK trophy assets like Heathrow airport, Wentworth Golf Club and utilities Thames Water and National Grid. In 2015, then prime minister David Cameron called for the UK to become "the partner of choice" for China in a speech marking the visit of Chinese president Xi Jinping.

In the US, Chinese net direct investment hit a record of nearly $50bn in 2016, data from think-tank Rhodium Group shows.

Political backlash

Donald Trump's election as US president in 2016 started to bring China's outbound direct investment ambitions to a halt. New legislation passed in 2018 expanded the powers of the Committee on Foreign Investment in the United States, a government agency that monitors direct investments with national security implications. The greater scrutiny led to a slowdown in Chinese investment in the US, with the value of deals falling below $10bn in 2019 and 2020.

"We've not seen many [direct] investments from Chinese sovereigns in the past few years," says Diego Lopez, managing director at sovereign wealth fund specialist Global SWF. "They have had problems with Cfius and deploying direct capital into the US is not easy."

However, the clampdown did not prevent China's state-backed funds deploying significant amounts of cash indirectly, through private funds.

"We stepped up our investments in private markets . . . continued to expand our network of high-quality managers, and deepened our co-operation with external investment partners," CIC's chair and chief executive Peng Chun wrote in the corporation's annual report last year. This took CIC's private market commitments to a record high, accounting for almost half of its overseas investment portfolio.

CIC has also struck a series of partnerships with managers that gave it a foothold in an array of smaller and midsized companies across Europe and North America, which it helps expand into China. This involved setting up separate funds with investment firms Triton, Charterhouse, Eurazeo, Goldman Sachs and Investindustrial, among others.

These funds in turn invested in assets ranging from California-based industrial company Boyd Corp, Dutch medical business Dutch Ophthalmic Research Center and the UK's Phastar, a data science company focused on clinical trials, according to people familiar with the matter and media reports.

Russia prompts rethink

One reason Chinese investments in private equity have attracted so little attention is that the risks are much less clear-cut than with direct acquisitions.

According to executives in the industry, the private equity funds that China and other states have invested in are usually structured in such a way that the investors, known as limited partners, do not exercise day-to-day control over the firms their money is used to acquire. "It's all passive investment and it's a good way to get foreign capital in," says one industry lobbyist.

But even though private equity executives insist there is no problem with taking money from Chinese state funds, they privately acknowledge that the political climate has changed. In addition to the rising tension between Washington and Beijing, they increasingly fear the US will start to view investments from HKMA as essentially Chinese capital, given the way China has asserted its authority over the city.

One sign of the sensitivity is that industry executives are often unwilling to speak publicly about the investments they have received from China.

Russia's invasion of Ukraine last year also prompted a reassessment of the industry's relationship with China. "It definitely was a wake-up call," says HK Park, managing director of Crumpton Global and a former Pentagon official. "Many corporations and investors were surprised by how quickly sanctions [against Russia] snapped into place and are now seeking geopolitical expertise for the next crises."

> 'The percentage of Chinese money in our funds is something we have to be very aware of'

As buyout groups and their managers scrambled to assess their exposure to Russia in the early days of the war, including how much of the money in their funds came from the country, several executives said privately that the exercise would be far more difficult if, for instance, sanctions were imposed on China in the event of an increase in aggression towards Taiwan.

"The percentage of Chinese money in our funds is something we have to be very aware of," says one senior executive at a private equity group that backs tech firms. "It's important to diversify as you will be managing the money for a decade or so and the geopolitical situation can change a lot in that time."

The lack of transparency about money from sovereign wealth funds, which are usually responsible for their own disclosures, adds to the difficulties.

"The level of disclosure among SWFs is self-administered so we see quite some disparity between funds," says Imogen Liu, assistant professor of International Political Economy at Vrije Universiteit Amsterdam. "Private equity funds are black boxed. We don't really know how they manage client money and this has geopolitical implications."

McElwee, who has done extensive research on Chinese tech investments in the US, says the large sums being channelled through private equity funds could make it much harder for the US government to consider using sanctions as a policy tool.

"The more China is integrated financially and economically, this will act as a deterrent to introducing sanctions or mean it's very difficult to implement them," she says.

While firms are viewing Chinese state money with growing caution, it has not yet prevented them accepting the cash. Last year, Chinese sovereign funds made commitments to firms including software investor Hg, Nordic Capital and Cinven, say people familiar with the matters. Regulatory filings corroborate the claims. Leading figures in the industry, including Blackstone's Schwarzman, and senior executives from France's Eurazeo, Italy's Investindustrial and the UK's Charterhouse, have also been spending time in China and meeting with leading figures at its sovereign funds, including CIC.

More European governments are now following the US in tightening their oversight of Chinese direct investments, in some cases creating powers to reassess approval for past deals. Rishi Sunak, the UK prime minister, last year described China as a "systemic challenge" and pledged to reduce the UK's dependency on Chinese money.

But regulatory scrutiny has not yet extended to private funds. "The government has the power to legislate similar restrictions upon the ultimate ownership of UK assets by foreign powers and hostile states," Kearns says.

"And [it] should look very closely at how best to ensure transparency in the private fund space more broadly, and ensure the protection of our critical national infrastructure in particular."

The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

Fixing Britain's broken housing market

To raise home ownership, the planning and tax systems must be unblocked

Britain's housing market is broken. England has among the lowest numbers of homes per 1,000 people in western Europe, and dwellings are among the smallest and most expensive. With home ownership falling, the Labour party is drawing up plans that would force landowners to sell plots to councils at lower prices to stimulate housebuilding via so-called compulsory purchase orders. It is part of a broader attempt by the opposition party to be seen as the "party of home ownership" ahead of next year's election.

The plans would set an undesirable precedent for expropriation, and CPOs are unlikely to significantly reduce the UK's deficit of more than 4mn homes. That is because the country's sclerotic planning system and vested local interests will continue to hinder housebuilding. Unless these underlying issues are addressed, a reasonably priced home will continue to be a pipe dream for many.

The Conservative government has already diluted housebuilding targets and planning reforms following opposition from MPs. Prime Minister Rishi Sunak may instead reboot measures to support first-time buyers. Alongside CPOs, Labour has proposed "first dibs" on new houses for first-time buyers and a ban on "entire developments" being sold to overseas investors. Both parties, however, risk stoking demand more than supply by not doing enough to address blockages in the housing market.

Britain's planning systems create uncertainty, with authorities able to veto projects on a case-by-case basis. Indeed, not knowing what can be built and where is one reason why establishing a fair price for forced land purchases will be difficult. A less discretionary system that allocates zones for development would be better.

Boosting the supply of land is important too. In England, the greenbelt — protected land — covers more area than developed land and infrastructure combined.

Dealing with inefficiencies in the existing housing stock is also important, alongside unlocking more land. Stamp duty — a property purchase tax — gums up the market by raising the cost of buying a home and discouraging owners of larger properties to trade down. England also levies a council tax on properties based on decades-old valuations. This has led to higher burdens falling on the young and less well off. Both taxes in England could be replaced by a simple 0.5 per cent tax on current property valuations in a way that is revenue neutral, according to Fairer Share, a charity. It could also apply to undeveloped plots with planning permission to encourage building.

The problem is that these measures run counter to the interests of homeowners — the bulk of voters. New developments irk so-called Nimbys who see them as an eyesore and a threat to property values — that is why compulsory purchases do not guarantee more building. And reforming taxes on property risks alienating older and wealthier voters. Successive governments have instead pushed cosmetic measures. Labour's recent noises around building more on the greenbelt and taking on Nimbys are welcome. Following through is the challenge.

> The next government will need to abandon ineffective attempts to appease both prospective and existing property owners simultaneously

Britain's chronic housing shortage has contributed to its low-growth malaise. It reduces workers' mobility, and high housing costs damp demand. The next government will need to abandon ineffective attempts to appease both prospective and existing homeowners simultaneously. If Britain cannot rapidly start to build more homes and raise home ownership, its long-run economic growth prospects will remain lacklustre. In that case, nobody wins.

Opinion Technology

Don't let AI fall into the climate trap

Andy Carter

Pilita Clark

It is a phenomenon unleashed by humans that could reshape life as we know it. Troubling warnings from experts have galvanised public concern about it. Boardrooms are scrambling to understand it. Young people fear it will blight their futures. Governments are drawing up rules to tame it.

Yes, this is advanced artificial intelligence. But it also describes another, more familiar threat: climate change.

This year, as galloping gains in AI technology prompt calls for globally co-ordinated regulation, some experts think we should borrow from the international playbook for tackling climate change. And they are right to do so, up to a point. Both problems are inherently global, so a patchwork of national controls won't work.

But future generations will not thank us for a repeat of the pitfalls that have dogged attempts to control climate change for the past three decades — especially considering the vast benefits AI promises.

> Requiring consensus from nearly 200 countries is a recipe for hopelessly slow progress

Used well, artificial intelligence could transform our management of cancer, poverty and even climate change itself. Global warming, on the other hand, has few upsides. A warmer world might make farms more fruitful and extreme cold less risky in some places. But authoritative scientific reports from the UN's Intergovernmental Panel on Climate Change clearly state that for human health alone, there are very few examples of beneficial outcomes from climate change at any scale.

Few question the conclusions of these reports, but imagine how hard it would be to co-ordinate efforts to cut carbon emissions if there were no such scientific consensus. Artificial intelligence experts don't need to imagine. They are deeply divided, politically and technologically, over how much harm might come to whom by when, and how much already exists.

So there is understandable interest in seeing if the IPCC model might work for AI. "This is really an active question among policymakers right now," Professor Robert Trager, of the Centre for the Governance of AI, tells me.

This makes sense, though considering the breakneck speed of AI advances, an Intergovernmental Panel on Artificial Intelligence would need to be far nimbler than its climate predecessor, which has typically taken six years or so to issue its mammoth reports.

Moreover, the IPCC is part of a wider global climate framework that offers a lot of lessons in what *not* to do for artificial intelligence.

The panel was set up in 1988, a year of climate turning points that mirror many of those we are seeing for AI in 2023. In both years, respected experts have issued jolting warnings. In 1988, Nasa scientist James Hansen testified to the US Senate that "the greenhouse effect has been detected and is changing our climate now". This was not the first official alarm bell sounded about global warming but it made front-page headlines and bolstered early efforts to address carbon emissions.

Something similar has happened in 2023 as Elon Musk, Apple co-founder Steve Wozniak and more recently, AI "godfather" Geoffrey Hinton have warned of the risks to humanity the technology poses.

This month alone, the G7 has called for new standards to keep AI "trustworthy", while the White House, US Senate and 10 Downing Street have met AI chiefs to discuss their contentious technology. Meanwhile, the EU is finalising an AI Act aimed at making systems safer and more transparent.

Still, there is growing agreement that international collaboration on AI is needed. Some like the model of the International Atomic Energy Agency. Others prefer the less intrusive example of the International Civil Aviation Organization. It's an agency of the UN, which is also home to the climate secretariat that emerged after world leaders backed an international treaty to combat climate change in 1992.

Annual meetings of the "conference of the parties" to the treaty, or COPs, led to more detailed climate targets being established in the 1997 Kyoto protocol and 2015 Paris agreement. Yet today, emissions remain at record levels. The reasons for this are complex and manifold but it has not helped that climate COPs have given new meaning to the word "glacial".

That is partly because COP decisions in effect require consensus from nearly 200 countries — a recipe for hopelessly slow progress and more. In 2018, Trump administration officials helped to block a COP meeting from embracing the conclusions of an IPCC report commissioned at an earlier gathering.

Climate COPs serve a range of useful purposes. We would be far worse off without them. But they also show what must be avoided as we seek ways to ensure that AI works for us, not the other way around.

pilita.clark@ft.com

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Summit offers unique chance to reverse injustices in Africa

Hanan Morsy is right that next month's Summit for a New Global Financial Pact is a huge opportunity to reverse the unjust situation facing Africa (Opinion, May 23).

Originally, we had high hopes that the summit would live up to its stated aim of forging a new contract between the north and the south — one that would give vulnerable countries access to the financing they so urgently need.

But what was intended as a platform to unite governments from the global south and north is now falling far short.

Few, if any, countries from the global south are present in the deliberations, with civil society organisations having been largely excluded as well. How is it possible to have meaningful conversations about the necessary shift in capital flows without proper representation from the south in the room?

Unfortunately, failure to address the dire needs of the most vulnerable is a familiar pattern. This is why the Paris summit really matters.

It is a unique opportunity to generate political momentum to upgrade the woefully inadequate responses to stabilising fragile economies. But to do so, it must send an unequivocal message that the north is serious about debt relief and bridging the financing gap, currently estimated at $27.4tn between now and 2030 for basic human needs. Earth4All modelling has shown that redressing inequality is critical to avert global economic disorder and the breakdown of peace and security.

The best way to tackle inequality is to ensure that money flows in the right direction, to those who need it most and for those sectors that are essential for human wellbeing within planetary boundaries. This is the only way to build resilience to future shocks and stresses and avert the danger of economic disorder, which we fear will lead to new global emergencies on a scale that we have not seen before.

The summit has less than one month to turn potential failure around and instead send a powerful message that genuine economic and financial stability has to be anchored in equity and prosperity for the many, not the few.

Sandrine Dixson-Declève
Co-President
The Club of Rome and co-author of Earth4All
Brussels, Belgium

Pretoria's neutrality over war will hurt economically

An economic noose tightens on South Africa as the governing party treads the political tightrope of their foreign policy.

The serious doubt cast on South Africa's stated neutrality amid the war in Ukraine holds major economic risks for the country ("US accuses South Africa of covertly supplying arms for Russia's war effort", Report, May 12). The depreciation in the currency, relative to the US dollar, to its weakest level on record, is detrimental to the efforts of the country's central bank in reducing consumer price inflation, currently at 7.1 per cent.

Despite the government's denial of an approved arms sale to Russia, fears remain that South Africa's preferential trade terms with the US, which are set to expire in 2025, are at risk. South Africa wishes to renew these terms to strengthen ties with the US.

Following a period of low economic growth, the socio-economic challenges faced by the country are enormous, including unemployment of over 30 per cent and high inequality.

Against this backdrop, the government should be focused on sustainable economic growth. Key to this objective is a secure energy supply, stable consumer prices, continued foreign direct investment and international trade.

The past few days highlighted the economic risks to South Africa in distancing itself from the US, thereby potentially alienating itself from the west and adversely affecting key factors to economic growth. The country should balance its sovereign right to dictate its foreign policy with its responsibility towards its citizens for sustainable growth in the local economy.

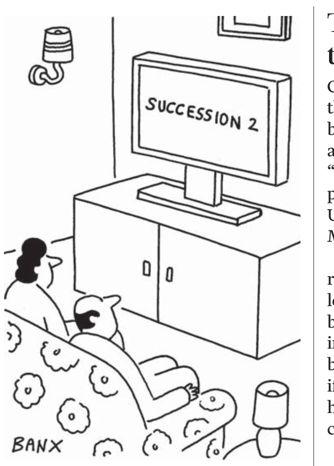
De Villiers Lategan
Selwyn College
University of Cambridge, UK

Harris remains notable for her lack of distinction

Harold Sklar is right (Letter, May 26). Kamala Harris has been virtually invisible as vice-president. Her important role as envisaged by Biden, to be seen and to act for, and energetically to represent, a large and disaffected democratic constituency, a difficult job admittedly, has been "carried out" with none of the energy and distinction it demands. Indeed, it's hard to explain or point to anything of note she has been associated with.

It reminds one of that less than active former president, Calvin Coolidge, upon whose death it was reported someone asked "but how can they tell?"

Alastair Conan
Croydon, UK



Prospects for citizens' juries are debatable

Martin Wolf enthusiastically promotes citizens' juries or assemblies and is confident that, presented with the "evidence", a randomly selected group of people — advised by "experts" — would have come round to his way of thinking on Brexit "since Leavers will change their minds in response to the evidence" ("Citizens' juries can help fix democracy", Opinion, May 29).

It is precisely by implying that the "evidence" would have raised no similar doubts in Remainers' minds that causes me to wonder just how and by whom he envisages "experts" to be chosen for his assemblies. The parallel with criminal juries is a poor one because the sort of political issue that Wolf would like addressed (he highlights immigration) would require an assembly to consider evidence, and to deliberate and resolve, in an entirely different manner than in a criminal trial, where the jury has a simple binary decision on a carefully defined issue, with advocates arguing for one or other of only two verdicts and each calling those witnesses that it believes further its case.

On matters as nuanced as immigration there are an infinite number of positions and both the range of possible outcomes and that likely to be favoured by a jury or assembly would be largely determined by who was allowed to present a case — and so ultimately by the individual or entity that selected the advocates and experts to be heard, a party whose neutrality and bona fides would always be open to question. I also note that he envisages the randomly chosen participants in "open debate": one wonders just how possible this would be when so many are unwilling to leave their "safe space" and debate contentious issues with people with whom they disagree.

Charles Mercey
Tellisford, Somerset, UK

Tax incentives are the key to unlocking investment

Chris Giles is right when he states that the core issue behind the lack of business investment in Britain is not access to capital but UK companies "not wanting" to do so ("Changing pensions regulations will not boost UK business investment", FT.com, May 25).

Not wanting to invest is a perfectly rational response to the extremely high levels of external instability in the business environment that we've seen in recent years. After all, investment is, by definition, putting capital at risk, so if uncontrollable risks are abnormally high it makes sense to protect that capital by waiting.

Instability in our main trading relationship, a global pandemic, political turbulence, febrile markets and the prospect last year, based on official forecasts, of a long recession in the UK would all therefore be expected to reduce investment. In fact, our own Institute of Directors survey data shows a statistical correlation (R=0.73) between business leaders' confidence in the future of the UK macroeconomy and their firm-level investment intentions.

When the external risks are heightened, policy needs to work harder. We're hopeful therefore that the recent strengthened tax incentives for capital investment may start to unlock decisions, particularly if it is combined with a clearer government road map on industrial and trade policy, including around the investment requirements to achieve net zero and — here's hoping — greater macroeconomic stability.

Kitty Ussher
Chief Economist
Institute of Directors
London SW1Y, UK

Patients in clinical trials should get full disclosure

Lord O'Shaughnessy wants to quadruple the number of NHS patients in clinical trials ("No 'magic wand' for financial pressures, Hunt tells pharma groups", Report, May 26).

The overall probability of success in drug and vaccine trials is low — two-thirds of cancer drugs in phase 3 trials are rejected — so there is a good chance of participants taking an ineffective treatment or one with unacceptable side effects.

Potential recruits must be fully informed of the dangers as well as the advantages of taking part in a trial.

Paying doctors to persuade their patients to take an experimental treatment is unethical.

Any financial incentive should go to the participants.

Dr John Doherty
Stratford-upon-Avon, Warwickshire, UK

US and China just view the world differently

Evan Medeiros's commentary on a possible US-China rapprochement (Opinion, May 26) points out that the US and China are seeking different things. He says China wants to throw cold water on the recent fires that have erupted between the two countries. Then he makes the point that the US is striving to get China to play by the WTO rules.

Does he want the US to forget about the WTO rules? Of course, he cannot wish for that. If China is determined to run on its own course, there is bound to be friction. Medeiros has seen that himself in his previous job as the China guy in the Obama administration. He and President Obama backed off. That temporarily improved the atmosphere, but achieved nothing concrete.

There is a fundamental difference between China and the US on how the global economy should work and be managed. China has charted mercantilism and state-led industrial policy as its course to riches and power. The US has been trying to convince Beijing that so-called free trade and globalisation is the right road.

China's success, so far, is a powerful argument for sticking to its guns. Having tea parties together is not going to change the fundamental situation.

Clyde Prestowitz
A leader of first US trade mission to China in 1982
Director of the US Export Import Bank
Potomac, MD, US

BoE has been too timid

It is time the Bank of England accepted full responsibility for its pusillanimity in the fight against higher inflation ("Britons among most gloomy on inflation prospects", Report, May 23.

Lamely following the US Fed in its decisions and blaming inflation on Ukraine and Covid is no longer good enough. Were UK inflation to fall back to its 2 per cent target, the BoE would cheerfully accept the praise. So it must take the rap when it doesn't.

Matthew Clements
London SW1V, UK

Hydrogen is affordable

"Green hydrogen's staggering cost" (Big Read, May 29) refers to Lex's calculation that "a net zero [green hydrogen] system might require . . . $20tn of investment by 2050". It is worth noting this "staggering" cost of below $1tn a year is less than fossil fuel subsidies in 2022, as calculated by the IEA. That was admittedly an exceptional year, but the point is that staggering costs can be affordable.

Peter Nicholas
London W6, UK

Opinion

Why DeSantis is losing Republicans to Trump

AMERICA

Janan Ganesh

Consider for a moment what Donald Trump gives to his average follower. Membership in a vast nationwide communion of like-minded people. A paternal figure in a confusing world. The frisson of transgression: middle-aged whites don't often in life get to play the rebel.

Next to all this, what is the marginal benefit of seeing him win an actual election? What, after that, is the marginal benefit of watching his policies come into force? No doubt, Trump fans would rather have these bonus items than not. But he has done them a profound emotional and almost spiritual service before it ever gets to that.

It is not clear that Ron DeSantis understands this about populism. Until he does, he won't displace Trump as the leader of the movement in the US. The governor of Florida trades on his electability and administrative competence. But if either of these things was paramount for voters in the Republican primaries, the contest would already be over.

Trump lost the midterm elections in 2018. He lost the presidential election in 2020. He is the only president in the 80-odd-year history of the Gallup approval-rating poll never to score 50 per cent. Republican candidates who bear his stamp have a mixed electoral record at best. Even allowing for the widespread and false belief that he was diddled out of a second term, there must be lots of Trump fans who know, deep down, that DeSantis or Nikki Haley would do better with the national electorate in 2024. No matter. Neither confers on them the sense of tribal belonging that he does. Neither upsets the liberals as much.

The governor's other boast — his executive grip — matters even less. Just because liberals have always feared the emergence of a competent demagogue doesn't mean populist voters have yearned for it to the same degree. How much of his base did Trump lose after failing to build that wall on the Mexican border? How much of it has gone over to Joe Biden as thanks for passing the biggest protectionist bill in memory?

DeSantis is logical, poor man. He thinks modern politics is about *doing* things. The extent to which it is about

> It doesn't matter that the governor is an effective populist. He 'presents' as an establishment creature

belonging — about replacing the group identity that people once got from a church or a trade union — is lost on his rationalist ken. In this one sense, he thinks like a liberal. The left is forever trying to "answer" populist concerns by reshoring industrial jobs or devolving power. It is very sweet, this. And yes, perhaps at the start, populism was about tangible grievances. But once people took sides, around 2016, that group membership started to mean more to them. (As in a long-running war whose original cause is lost on the belligerents.) Trump perceives this more clearly than his rivals.

DeSantis believes that politics is downstream of culture, that culture is shaped in institutions, that conservatives have ceded those institutions to the organised left. The Gramsci of Tallahassee doesn't just diagnose the problem. He is creative and dogged in installing a rightwing counter-hegemony. Ask Disney. Ask the educational bureaucracies of Florida.

This is more thought and work than Trump has ever put in to the cause. It is also perfectly beside the point. I am no longer sure that populist voters want to win the culture war. Just being in it gives them meaning. If anything, there is more group identity in losing, more solidarity under siege than in triumph. If I am right, none of the governor's arguments against Trump — his electoral repellence, his boredom with detail — are half as wounding as he hopes.

DeSantis is a case study in the vibes theory of politics. It doesn't matter that he is a sincere and effective populist. He "presents" as a creature of the establishment. It is something to do with the Ivy League and navy past, the dour style of speech, the apparent rectitude (no sexual or financial scandals) and the lack of a visual hook in all that neat hair and sober tailoring. Even his record as the leader of a big state counts against him. No populist worth the name would be reading his briefs and enacting ideas with such bureaucratic patience. "Neeeerrrrd," you can imagine Trump shouting at him, à la Homer Simpson, across a TV debate studio.

So, a strident rightwinger, from a far humbler background than Trump, is framed as though he were the latest scion of the Bush clan. He can console himself that he is in illustrious company. Rishi Sunak championed Brexit before Boris Johnson did. He subsidised people to dine out during a viral pandemic for which there was no vaccine. His reputation among populists? Company man.

janan.ganesh@ft.com

Scary reality of the Credit Suisse horror story

FINANCE

Robin Harding

The 1996 slasher movie *Scream* sets out three rules to survive a horror movie: you can never have sex, you can never drink or do drugs and you can never, under any circumstances, say "I'll be right back". Among recent bank failures, Silvergate did the deed, Signature Bank got wasted on its parents' Tia Maria and Silicon Valley Bank did both before popping outside to check the strange noise in the garden. Having all committed obvious banking sins, all were duly punished.

International bankers and regulators, observing the recent fiasco in US banking, are scornful. "Poor management, poor supervision, poor regulation. The Fed has acknowledged as much," one told me recently. They are not unduly worried about the same thing happening on their patch. But there is one collapse the banking community takes differently; one that has everyone worried, because it casts doubt on the fundamentals of financial regulation. The failure of Credit Suisse really is a horror story.

What happened to Silicon Valley Bank — the most symbolic of this round of US bank failures — is well understood. It is a tale as old as banking. SVB gathered billions of dollars in uninsured, short-term deposits from start-up companies. It invested them in highly rated, long-term securities. Interest rates went up. The value of the long-term securities went down. Depositors realised and demanded their money back. Borrow short, lend long, see you in hell. The only wonder is how sophisticated people let it happen. Silvergate, Signature and First Republic are variations on the theme, with added crypto.

Credit Suisse — forcibly sold to UBS, its fierce local rival, a week after Silicon Valley Bank's trip to banking Valhalla — was different. Yes, the Swiss lender got involved with all sorts of questionable characters, from Lex Greensill, the financier of hypothetical invoices, to Bill Hwang of Archegos, who was as long and wrong as any trader in recent history. Yes, it needed painful changes to its business model, with profitability under strain for some years to come. But Credit Suisse did not make a mad bet on interest rates. There was no read-across from SVB. It had a solid balance sheet and a valuable core business franchise. In horror movie terms, Credit Suisse might not be the heroine, but it was a clumsy best friend who had followed the rules and done nothing to tempt the killer's attention.

Yet even though events in the US offered no new information about the state of Credit Suisse, the Zurich bank's depositors still ran, which is what has got every thoughtful banker and regulator in the world looking over their shoulder. The post-2009 banking settlement involved high levels of capital, to

protect against losses, and rules on liquidity, to deal with sudden demands for cash. Silicon Valley Bank did dumb stuff and its depositors were at risk. But if Credit Suisse can suffer a run even though it was liquid and well capitalised, then the same thing can happen to any other bank, anywhere, at any time.

The bank runs in March and April were unusually fast. Silicon Valley Bank lost 25 per cent of its deposits in a day and was due to lose another 62 per cent the next day, if it did not close. Silvergate and First Republic lost half their deposits in a couple of weeks. Several factors have been put forward to explain this — new technology making it easy to withdraw electronically; the presence of large, uninsured corporate depositors; and the spread of rumour and misinformation on social media — but none is wholly satisfactory.

> If it can suffer a run even though it was liquid and well capitalised, then the same can happen to anyone

According to Jonathan Rose, a historian at the Federal Reserve Bank of Chicago, rapid electronic withdrawals were an issue as early as the run on Continental Illinois in 1984. Rose quotes an account by regulator Irvine Sprague, who wrote that the banking halls were quiet, but in the back office "the employees knew what was happening as withdrawal order after order moved on the wire, bleeding Continental to death". Perhaps ultra-rich clients moving cash on their mobile phones helped to kill Credit Suisse, but this cannot be the whole story.

Banks with large volumes of uninsured deposits are not new either, notes Rose. Only 6 per cent of SVB's deposits were insured, which is very low, but comparable with 15 per cent at Continental Illinois. Most of Credit Suisse's private banking deposits were outside insurance, but they always have been. The concentration of deposits from the tech industry at SVB, Silvergate and Signature was somewhat unusual, but that did not apply to Credit Suisse at all.

Social media is one new force in a banking crisis. Facebook began in 2004 and Twitter in 2006, but they were not yet global and all pervasive during the 2008-09 financial crisis. Social media connections clearly fuelled the run on SVB, but a crucial topic for regulators to understand is how Credit Suisse's private banking clients around the world got the message to flee. What if, in the future, a similar run starts based on complete falsehoods about a solvent bank?

Ultimately, the question Credit Suisse raises is whether any amount of capital and liquidity can make a risk-taking bank safe, boosting the case for narrow banking or wider access to central bank money. The momentum of innovation is already in that direction and it truly would be a horror story for commercial banks. As the heroine in *Scream* plaintively asks: "Why can't I be in a Meg Ryan movie?"

robin.harding@ft.com

Sweden has stepped up the fight against terrorism in its Nato bid

Ulf Kristersson

With just over five weeks to go until the Nato summit in Vilnius, it is time to seriously consider Sweden's application for Nato membership. Since the organisation's meeting last year, 29 allies have approved Sweden's application. Turkey and Hungary remain. Sweden has entered into an agreement with Turkey in which the fight against terrorism is one of the key points.

Tomorrow, new legislation enters into force in Sweden that makes it illegal to participate in a terrorist organisation in any way that promotes, strengthens or supports it. We are thereby delivering on the last part of our agreement. Sweden fully supports Turkey against all threats to its national security and condemns all terrorist organisations, including the PKK, that carry out attacks against it.

Terrorism is unquestionably a very serious threat to our societies. It must be fought using all means compatible with the rule of law and democracy.

We are living in an increasingly dangerous world. Alongside state actors, terrorists and violent extremists also pose a serious threat. Sweden has been under a heightened terrorism threat since 2010. Our security services also recently established that we have become a priority target for terrorism, not least due to Koran burnings and disinformation campaigns over Swedish social services taking Muslim children into care.

The legislation now entering into force will give Sweden new and powerful tools to prosecute those who support terrorism. This involves three elements.

First, the legislation closes a loophole in our anti-terrorism laws. Unlike some of its neighbours, Sweden has not previously prohibited participation in a terrorist organisation. This meant that there was a risk that those who were not directly involved in perpetrating a specific terrorist act but actively supported such activities in some other way — by providing logistics or administration, for example — could evade punishment. This is no longer the case. We now have legislative parity with our neighbours.

The new legislation also targets individuals who financially support other people's participation in terrorist organisations, or who publicly encourage or

> With new legislation, we are delivering on the last part of our agreement with Turkey

recruit others to join such organisations. Furthermore, it criminalises travel for the purpose of participating in terrorist activities outside Sweden.

Second, the penalties will be severe. The basic maximum sentence is four years in prison. For the most serious offences, the sentence is a minimum of two and a maximum of eight years in prison. For leaders of terrorist organisations, the sentence is between two years and life.

Examples of acts of participation that will be punishable include handling equipment, setting up camps, organising meeting venues, administering housing, providing childcare, organising activities, preparing food and providing transportation. Financing these forms of participation will also be punishable.

Third, our enhanced anti-terrorism regulations will be significant when it comes to Sweden's international co-operation in the EU and Nato. Every year, there are numerous terrorist attacks around the world. Terrorism has become a serious international problem that severely tests those societies affected and threatens peace and security everywhere, both domestically and globally.

Tackling the threat it poses requires intensive national and international efforts. Sweden's new, enhanced legislation will facilitate our co-operation with Turkey, as well as with other Nato and EU countries.

Russia's full-scale invasion of Ukraine was a historic turning point for European and global security. Russia's actions are a brutal attack not just on Ukraine, but on international law and the principles that are the foundation of the European security order. The Kremlin's aggression has had repercussions beyond the war in Ukraine. It has led to strong unity in support of Ukraine and against Russia, but also to Sweden abandoning more than 200 years of military non-alignment and applying to join Nato.

Sweden stands ready to be an active and loyal ally, and to contribute to the security of the entire alliance from day one. We have a strong defence and will contribute to Nato's enhanced forward presence in the Baltic Sea region, Baltic Air Policing and other operations. Ultimately, only Vladimir Putin has anything to gain from Sweden remaining outside Nato.

The writer is prime minister of Sweden

Old industrial cities can be key to US economic future

Bruce Katz

One of the tantalising questions about US president Joe Biden's muscular industrial policy is whether it can reverse decades of economic decline in cities and metropolitan areas that bore the brunt of deindustrialisation.

Older parts of the US, like much of Britain and Europe, are littered with hundreds of communities that collapsed under the weight of offshoring, outsourcing and globalisation at any cost. But today, America is undergoing a remarkable industrial transition. Market dynamics, geopolitical tensions and unprecedented federal investments are catalysing a reshoring of advanced manufacturing in the defence and civilian sectors, as well as an accelerated decarbonisation of the US economy.

These macro forces have metro effects. Advanced manufacturing values places that can provide industry with the platforms and tools it needs. Large companies and smaller firms alike require suitable sites for production activity, properly assembled, prepared and zoned. They need access to a steady stream of qualified workers who can master the complex nature of advanced production; applied researchers who can continuously assist with product and process innovation; quality housing that is affordable to workers of all incomes; and infrastructure that enables the efficient movement of ideas, goods, services, workers and energy, within and across metropolitan areas.

Many older industrial cities and metropolitan areas retain legacy assets that are central to this manufacturing

> Assets in these places have been dormant and undervalued for decades. But they did not disappear

future. These assets have been dormant and undervalued for decades. But they did not disappear and they are now available for industrial purposes.

Some lesser-known federal programmes are beginning to unlock this potential. Last autumn, the Biden administration announced winners of the $1bn Build Back Better Regional Challenge, initially appropriated in the American Rescue Plan Act, to advance national competitiveness by scaling advanced industry clusters. The programme was flexibly structured, asking communities to define and then leverage their distinctive competitive advantages through an array of investments. It essentially challenged locations to embrace Dolly Parton's maxim, "Find out who you are and do it on purpose."

The results are promising. Manchester, New Hampshire, once home to the largest cotton mill in the world, received funds to scale its BioFabrication Cluster to produce and distribute regenerative tissues and organs. Buffalo, New York is expanding a highly regarded workforce development centre to serve a regional network of manufacturing firms. St Louis, Missouri is establishing an Advanced Manufacturing Innovation Center to serve the needs of Boeing and its suppliers in the defence aerospace sector, explicitly modelled on an applied research campus perfected in Sheffield, England.

Significantly, Buffalo and St Louis are locating their facilities in the most disadvantaged parts of their cities, ensuring that the benefits of re-industrialisation accrue to low-income residents and communities.

These and other efforts are being watched closely by cities and metropolitan areas from coast to coast. They are likely to become models that are adapted throughout the country as federal industrial policy takes full effect.

For decades, cities were told to plan the post-industrial city, driven by service rather than production economies. Now, almost overnight, they are being challenged, across sectors and jurisdictions, to deliver the industrial metropolis.

The stakes are high. Deindustrialisation in the US exacerbated persistent inequalities, roiled national politics and helped stoke populist outrage. The revival of older industrial locations is as much about restoring national cohesion as driving economic competitiveness.

The writer is director of the Nowak Metro Finance Lab at Drexel University

Lex.

Twitter: @FTLex

Labour/houses: crenellations for a nation

An Englishman's home is his castle. But too few Britons can afford a dwelling that would even rank as a sentry box. The opposition Labour party, which leads in opinion polls, therefore wants to cut the prices at which landowners are forced to sell sites to local authorities. It should think again.

Councils issue the requisitions when land is deemed essential to build homes or infrastructure. Councils have to adjust prices to reflect the value created by prospective planning permission, known as "hope value".

Labour has housebuilders such as Persimmon, Barratt and Taylor Wimpey in its sights. Local authorities accuse developers of hoarding land to benefit from rising prices, which they deny. Land with planning permission can be valued 275 times higher than farm land, according to the Centre for Progressive Policy think-tank.

Curbing property rights would be a bad look for the UK, which needs to attract foreign investment. Labour's plan smacks of the radical nationalisation programme that helped lose it the 2019 general election. The ruling Conservatives have sensibly steered away from the blanket abolition of hope value, preferring scheme-by-scheme assessment.

Labour has been trying to persuade investors that Britain would be "open for business" if it wins the next election. The proposal to abolish hope value paints a different picture.

Investors are treating the Labour plan as no more than kite-flying for the moment. For years, housebuilders reaped hefty profits from the UK's misguided help-to-buy subsidies scheme. Their shares have underperformed the wider FTSE 100 in the past 12 months because of its closure.

Stocks have rallied lately, however. Shares in Persimmon and Taylor Wimpey are trading on forward earnings ratios of 14 times and 13 times, respectively, above their five-year averages. But they remain sensitive to higher rates.

The debate over the real motives of housebuilders may never be resolved without fundamental tax reform. There is a good argument for taxing land held by developers to nudge them into building dwellings on it.

This might deter speculative investment. But it would avoid any uncompensated expropriation. And if the real business of housebuilders is building houses they would adapt.

Navan: travel to arrive

Few office activities are drearier than claiming expenses. All that remains of a dashing sales trip or ego-boosting conference speech is a pile of receipts.

US travel software group Navan aims to cut the misery. The universal appeal of that proposition — and the pixie dust of an OpenAI tie-in — might embolden Navan to revive the moribund market for US initial public offerings.

The Palo Alto-based company survived the collapse in travel during the pandemic. It is growing quickly as trips return and has filed to go public. Business travel is forecast to reach pre-pandemic levels by the end of next year, according to Deloitte estimates.

Navan's name is an odd combination of the words navigate and avant. It is the result of a recent, pointless rebrand from the previous name, TripActions.

Navan has struck a deal with artificial intelligence start-up OpenAI that is supposed to make it more personal, with tailored itineraries. It could also cut employee costs one day by replacing agents with chatbots.

Right now, costs are high. To date, Navan has raised more than $1.4bn from investors including Andreessen Horowitz. It has secured more than $400mn in credit facilities, helping cover the acquisition of five companies in two years, including Tripeur in India.

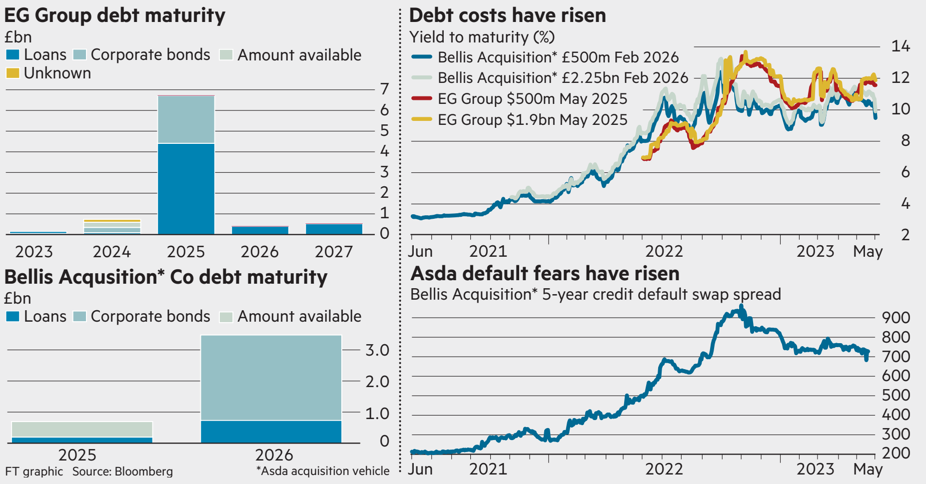
The headcount has doubled over the same period. Navan has expanded into different types of expenses and services that provide a funding facility for customers.

Last October, the company was valued at $9.2bn. Revenues were $300mn last year, pointing to a steep trailing sales multiple of 31 times. The expense software market is led by SAP Concur, owned by German software group SAP. SAP's equivalent multiple is five times. Peer Booking Holdings is worth six times sales.

Navan was aiming for a $12bn valuation according to reports last year. But this growth-focused, lossmaking software company needs to remember the prosaic character of expense claims and settle for less.

Asda/EG Group: Issa does it

The Issa's two main businesses have many billions of pounds of debts. These will need to be repaid or refinanced in the next few years. Yields have risen with interest rates and pushed variable debt costs higher. Deleveraging plans have eased default fears.



Roll up, roll up for the incredible Issa brothers! Rising rates make the financial high-wire act of the billionaires from Blackburn even more daring. See them juggle key assets Asda and EG Group in an effort to keep their balance!

The brothers own the supermarket chain and petrol station operator in partnership with buyout group TDR. Asda is buying the UK and Irish assets of EG Group for £2.3bn ($2.8bn). The move should generate cost savings for Asda while reducing EG's debts.

EG has net financial borrowings of some £8bn, compared with forecast earnings before interest, tax, depreciation and amortisation of $1.6bn for the current year. It needs to bring down its debt tally to a safer level. EG has been selling property in the US to do so.

Asda, meanwhile, plans to keep its financial leverage at 4.3 times ebitda, despite the cost of the acquisition. It will do so by selling real estate of its own and tapping the Issas and TDR for extra cash.

Asda will pay with £450mn of new equity, £770mn of new debt and £1.1bn from property deals. The new business will contribute £200mn of ebitda and deliver £100mn of so-called "scale benefits" within three years.

EG will use £2.3bn in proceeds alongside the $1.4bn from US property deals to get its financial leverage down to five times. It is targeting leverage in the mid-four times in the medium term. EG has some £7bn of loans and bonds maturing in 2025, according to Bloomberg.

The market appears to approve of the deleveraging plan. Spreads on the debt of Asda and EG have been falling. But the Issas are unlikely to have lost their appetite for risk. They want Asda to expand.

Grocery peers have most to lose. High debt costs had been expected to restrain Asda, the UK's price-leading supermarket. That is not happening, despite a cost of living crisis. Asda's ebitda fell a quarter last year. The Issas sacrificed margins to maintain market share.

With £9.5bn of property still on the books, Asda and the Issas have plenty in reserve to keep wowing the crowd.

Chinese jet: patriot express

Some people avoid buying a new model of car on the basis that it may be unreliable. But Chinese air passengers clamoured for seats in the first commercial flight of the homegrown C919 airliner on Sunday. It augurs well for sales of the jet. Beijing hopes it will challenge Airbus and Boeing.

It took the state-backed Commercial Aviation Corp of China 15 years to bring the 164-seater jet into service. China Eastern was the first buyer and is using the aircraft to fly between Beijing and Shanghai.

China has long needed an alternative to US manufacturer Boeing, which has close links to the US government. No Chinese airline has bought a Boeing commercial passenger plane for six years, reflecting escalating geopolitical tensions with Washington.

The narrow-bodied jets, however, fail a full self-sufficiency test. The C919 relies heavily on components made in Europe and the US, including engines and electronic equipment. Suppliers include French aviation group Safran and General Electric of the US.

Airbus should be worried, regardless. China's unofficial boycott of Boeing means Chinese airlines have been putting in record orders for Airbus planes. Increasingly, they will order CACC aircraft instead. State-backed China Eastern has C919 deliveries set to arrive this year. CACC has a fat pipeline of local customer orders exceeding 1,200 jets. The group is not listed but is accessible to investors via its corporate bonds.

For now, the home market is enough for the C919. Strong demand from local passengers means Chinese carriers increased international capacity by more than a fifth this month.

In the next 20 years, China's air traffic is expected to grow more than 5 per cent a year, 50 per cent faster than the global average. Chinese airlines will account for more than a fifth of world demand, according to Airbus. As production capacity of the C919 grows, the Chinese sales of the Franco-German aviation group will diminish.

Alternatives M&A: try to concentrate

US competition regulators are tightening scrutiny of private equity portfolio companies mergers. Could antitrust regulators soon be coming for alternative asset managers themselves?

That question is prompted by the plan of buyout titan Texas Pacific Group to spend $2.7bn in cash and stock on the specialist credit and real estate manager Angelo Gordon.

Assets managed by the listed private capital stalwart will go from $135bn to just over $200bn. It said pensions and sovereign wealth funds increasingly wanted one-stop shopping when allocating capital between buyouts, fixed income, real estate and the like. In particular, investors have developed a taste for insurance affiliates.

TPG is implicitly admitting that the deal is a way of keeping up with the likes of Blackstone and Apollo, whose asset bases are approaching $1tn each.

It is understandable why external investors with limited monitoring capabilities prefer to engage with few diversified alternative asset managers.

Consolidators, particularly ones that are publicly traded, have incentives, for their part, in simply growing their asset bases and gross management fee revenues. They may also be able to sell limited partners bundles of funds.

The challenge is to ensure that they do not overpay for growth and similarly, that incoming executives remain motivated.

Firms seeking to grow do not have to rely on full acquisitions. They can hire small teams or redeploy employees to build strategies organically. But such efforts are time-consuming and difficult. Some asset classes require specialist backgrounds or records.

Huge growth in the alternative asset industry has created demand among traditional asset managers looking to get their slice of the action. Even TPG or Carlyle Group with $400bn in assets under management could be a target for the likes of BlackRock, Fidelity or a sovereign wealth fund. As alternative asset managers grow, so will concerns about concentrations of power.

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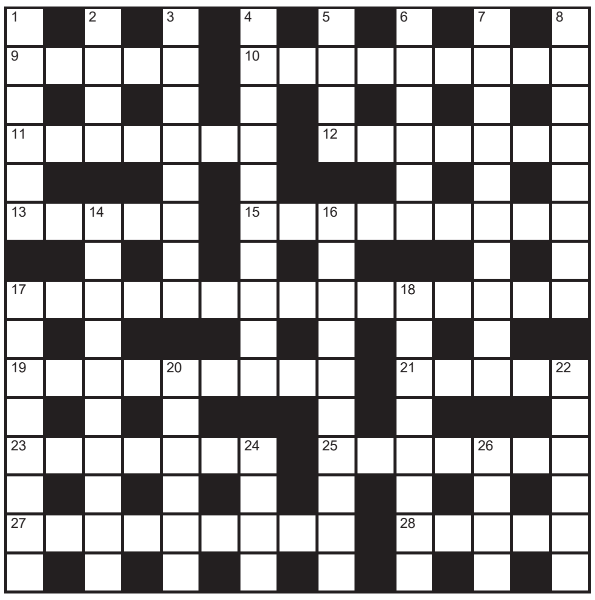
No 17,430 Set by MONK



ACROSS

9 Behind award for cycling (5)
10 Papal ambassador backing revision of Catholic union (9)
11 Extol Anglo-Albanian singer, one succumbing to pressure, making a comeback (7)
12 Finding this newspaper outside shelter, journalist moved rapidly (7)
13 Test case essentially linked to *Express* (5)
15 Ireland, e.g. after Reformation, divided on a new basis (9)
17 Apparel taken by old foe unexpectedly depressed Puck (5,10)
19 Chicken today went badly (9)
21 Shiatsu techniques holding back stellar group (5)
23 Inauspicious and ordinary, diminished by stifling love (7)
25 Second onlooker losing specs when changing in Tube? (7)
27 Conductor's back to work line before broadcast of Mikado? (9)
28 Composer left mobbed by crowd (5)

DOWN

1 Fruit and nuts, for the most part (6)
2 Rob and Mike dividing blame (4)
3 Keep calm partner heading towards something (6,2)
4 Plant and wider rocks in pool, perhaps (10)
5 Hang around block (4)
6 Partially exhume rib bones (6)
7 Tax lost by country delaying last of fiscal books (4,3,3)
8 Yard gatecrashes rank party with hubbub (8)
14 Run into general absorbed by puzzle about Captain Nemo? (10)
16 Speakers in sideboard included in promotions (10)
17 Startles, pressing hooter such as crew might use? (8)
18 Electrician extremely reluctant to break cover of cassette deck (8)
20 Loose excrement picked up in flat (6)
22 Leaves seaport north of Sweden (6)
24 Agile agent crossing river (4)
26 Terms of special licence overseen by state channel (4)*

JOTTER PAD

Solution 17,429

G	O	F	O	R	B	R	O	K	E		A	P	S	E
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